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The Credit World

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June, 1943



How Long Will It Last?

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COLLECTION SERVICE DIVISION

ASSOCIATED CREDIT BUREAUS OF AMERICA

INCORPORATED

1218 OLIVE STREET — SAINT LOUIS, MO.

The CREDIT WORLD

L. S. CROWDER, EDITOR ☆ ARTHUR H. HERT, ASSOCIATE EDITOR

VOL. 31 — JUNE — NO. 9

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For The Record

It was a privilege and a pleasure to contact association members in Nashville, New Orleans and Houston, during March and April, and to address members in the following cities: Birmingham, Mobile, San Antonio, El Paso, Tucson, Phoenix, Long Beach, Los Angeles, San Francisco, Oakland, Sacramento, Portland, Salem, Tacoma, Seattle, Bremerton, Victoria, Vancouver, Calgary, Winnipeg, Duluth, St. Paul and Minneapolis. The trip required fifty days and covered approximately 7,500 miles.

Three days were spent in Spokane in attendance at the Pacific Northwest (District 10) Conference. It was a highly successful meeting, registrations numbering between 300 and 325. The program was well balanced and the group meetings interesting and constructive.

A resolution was unanimously passed urging the Federal Reserve Board to amend Regulation W to permit the closing of books three days early, the purchases of the last three business days to be carried over to the following month's bill.

There was also a resolution urging Congress to pass the Ruml "Pay as You Go Plan," with modifications, if necessary, and cancel at least 75 per cent of 1942 taxes. A committee was appointed for the purpose of studying post-war credit problems and to recommend a plan that will assure the continuance of sound credit policies after the war.

Another highlight of the Conference was a luncheon honoring N. M. MacLeod at which he was presented with a plaque for forty years of faithful service to the Spokane Retail Credit Association. Full details of this event appear in a story on page 18 of this issue.

In addition to addressing the annual meeting of the Minneapolis Association—at which 275 were present, including 70 from St. Paul—I also addressed the directors of the Mutual Credit Rating Exchange, Inc., and the St. Paul Retail Credit Association at the St. Paul Athletic Club.

It was gratifying to find credit managers and credit bureau managers interested in post-war credit planning and desirous of formulating sound credit policies to be agreed upon for their respective cities, if possible prior to the ending of the war.

Committees are now working on this important subject and it is hoped all National Units will give the matter earnest thought and plan a series of local meetings for a complete discussion of the possibilities of a uniform credit policy for adoption nationally. Such a policy should be approved by the government. If a continuance of Regulation W, with modifications, and administered by the Federal Reserve Board, is desired by credit granters, changes in the Regulation should be given careful consideration.

L. S. Crowder.

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Have you given any thought to your progress in the credit profession? Are you preparing for today's responsibilities and tomorrow's opportunities? Here's a new National educational plan that will help you . . . to learn how to become a more valuable assistant to your employer.

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☆ *The* CREDIT MAN'S *Appeal* ☆

Edgar Courtemanch, ***Credit Manager***
The D. M. Read Company, Bridgeport, Connecticut

WE HAVE COME to a milestone in the progress of our credit bureaus. Whether we are going to falter now or forge ahead depends greatly upon the attitude of its members. It does not seem possible that after years of work in building our local bureaus and combining them into a large national association that there could be some members short-sighted enough to withdraw their support at this time, thereby destroying the very thing we have strived to build.

I attended a joint meeting of credit granters and credit bureau managers held recently in New York. Many of the comments made would indicate that numerous credit bureaus are finding it difficult or impossible to operate. Some of the reasons given were:

1. Many bureaus are having difficulty in obtaining employees.
2. Some members of the bureau fail to give reports promptly, thereby causing added labor.
3. There has been more bickering and less willingness on the part of members to cooperate with their credit bureaus.
4. Because the bureaus have not been able to give the same prompt service that they had in the past, credit managers are securing reports from local individual reporters.
5. Because of the larger down payments required by Regulation W some credit managers do not think it necessary to obtain credit reports.

These are but a few of our credit bureaus' difficulties. I am sure a credit bureau manager could name many more.

If we allow our bureaus to close we will be right back where we started from 30 years ago. If the bureaus were important enough for us to develop and support all these years, it certainly would be unwise to withdraw that backing at this time.

During the past three decades our credit bureaus have been building vast reservoirs of information. Each year their files have become more and more valuable. They have specialized in keeping records, gathered by specially trained employees. Government agencies and local police departments have recognized the value of credit bureau records and have continuously consulted them. The bureaus have also been of service to employers. The greater use we make of the credit bureau the more information we will receive on reports.

A credit executive cannot afford to take chances. He can use good judgment only if he has all the facts necessary to make an intelligent decision. Without the proper facts he is just as liable to turn away a good credit risk as he is to accept a bad one. Credit bureaus strive to assemble these facts and keep them on record so that a complete history is available on each individual.

Certainly a credit manager who considers himself a keen up-to-date executive would not care to be accused of going back to the horse-and-buggy-day methods of extending credit. The credit bureau is just as important to the functions of a credit department as its authorization files. No credit executive would think of discontinuing those files.

The credit bureaus have had a great deal of influence in discouraging "dead beats" from applying for credit. They know when they apply for credit at a store that is a member of the credit bureau their former pay record will be obtainable. If the bureaus had to close it wouldn't be long before the "slow pays" would know of it and take advantage.

Yes, these are difficult times for all of us. In some cities business has been very dull. Old customers have moved to other cities to work in war plants. In cities where war plants are located merchants are doing a land office business, but it is very difficult to obtain employees. Whatever the problem is in our community, let's get together and support our bureaus.

In the fall of 1942 we in Bridgeport had a very difficult period. Several of the larger stores finally called a meeting to which we invited our bureau manager. The first thing we agreed on was that we were all in the same boat. The stores were having the largest business in their history with less help to handle it. We further agreed that we could not expect the same service from our credit bureau that we had enjoyed in the past. It was decided that during the present emergency sight-of-file reports would be accepted in place of the up-to-date reports which the bureau had been furnishing us. If an up-to-date report should be desired after a sight-of-file report had been received the bureau would be notified immediately and no additional charge would be made. This, as you can easily see, saved both the bureau and the stores a great deal of work.

The war is not going to last forever. Leading economists and industrialists are predicting a greater production of consumer goods after the war than we have ever known before. We must be prepared to meet the demand for credit. Every merchant will want to obtain his share of the trade together with an assurance

(Turn to "Credit Man's Appeal," page 31.)

The Credit Bureau is just as important to the functions of the Credit Department as its authorization files. Each year these files become more valuable.

Simplified Accounts Receivable System

R. G. Ruxton, *Treasurer*, Emery Bird Thayer Co., Kansas City, Mo.

FOLLOWING THE ENACTMENT of Regulation W, we found it necessary to obtain a new system for quick authorization—one which would afford the greatest accuracy possible. Old methods were found to be too slow. Bookkeeping machines, complicated as they are, require the services of highly trained, if not skilled, operators. The rapid turnover of office help made an efficient operation of the bookkeeping department extremely difficult. Furthermore, as typewriters were frozen it appeared as if other office machine equipment would soon follow suit. Out of all this we developed a new method which was called simplified accounts receivable.

The fundamental principle of the method is that every unnecessary operation is eliminated and a skeletonized charging and billing takes the place of a complicated system of balancing figures and sum totals.

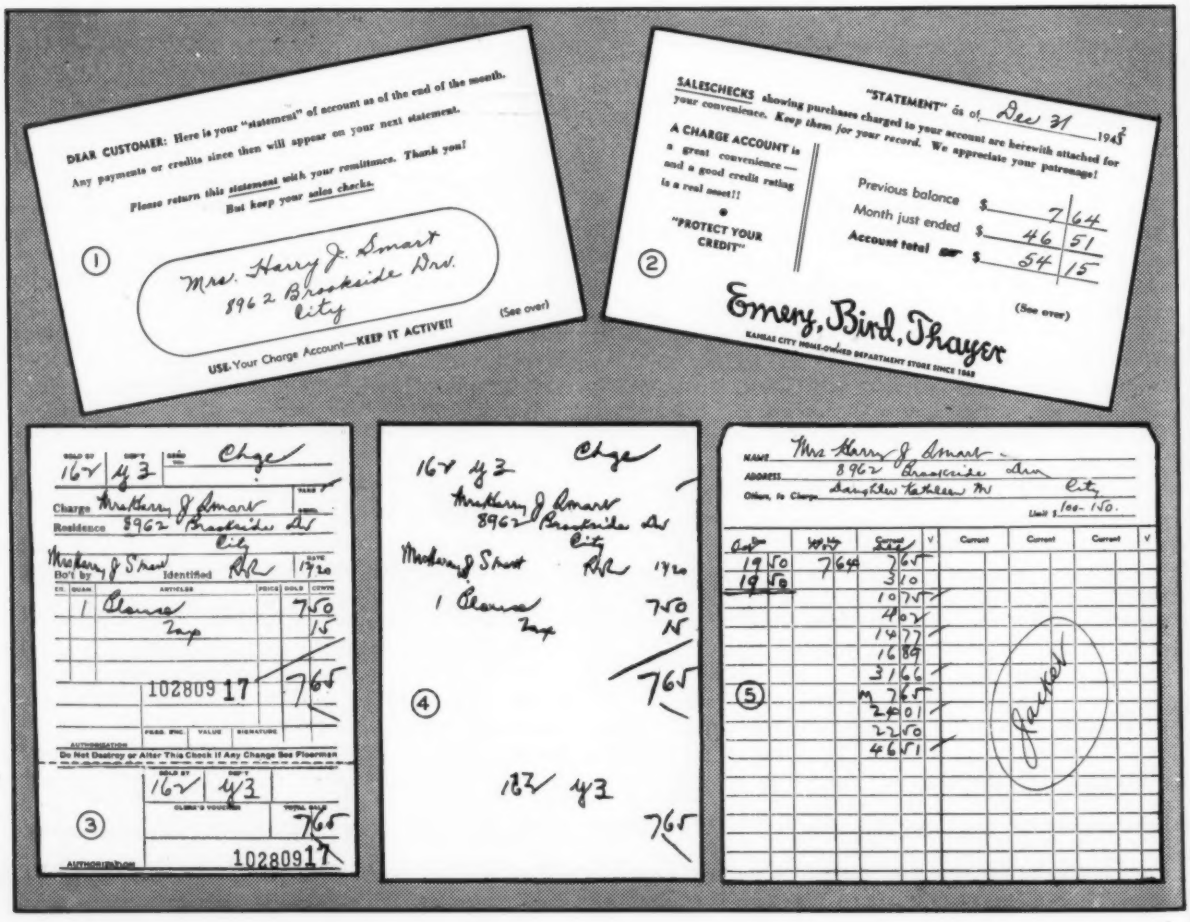
The system provides for the use of sales checks and copies thereof, including a tissue copy, as ultimate records, eliminating all posting, ledgers and other bookkeeping help. While the idea itself is not new it has heretofore been used with the application of photography. With our setup no camera work is necessary. Instead, the tissue copies of the sales checks are kept on record, open for inspection of any customer who desires to investigate certain charges.

This is how our new system works:

Charge sales are sent to the credit office by way of the refer tubes. Both originals are stamped if the charge is o.k., the original of the sales check and the clerk voucher being kept in the offices, the duplicates of both being returned to the clerk. The stamped voucher in the hands of the clerk is authority to release the merchandise to the customer and the duplicate sales check is retained by the clerk.

The procedure in the office where the charges are o.k.'d is simplified now inasmuch as authorization is made from the jacket (Illustration No. 5) in which all charges of the particular customer are kept. All the information regarding the customer's credit standing is on the jacket. Formerly authorization was made from the customer's ledger which now is eliminated, saving considerable time.

We have between 25,000 and 30,000 charge accounts. These are divided so that they are placed in 13 boxes,



each box having its own account keeper. Three authorizers refer the checks which they receive from the tubes to the respective account keepers. The latter look up the information and refer it back to the authorizers who, in turn, complete the transaction by returning the authorized charges to the clerk and thus to the customer. The original sales checks and vouchers are kept in the charge office on spindles. One by one they are removed during the day by a clerk who checks three points on check and voucher for sameness: department number, number of salesperson and amount of sale. Having found the three points correct the clerk removes the voucher from the check, the voucher is sent to the sales audit office and the checks to the sorting clerk. In the sales audit office the sum total of all vouchers is first taken, as well as department totals and clerk totals. Theoretically all sum totals must check. Experience has shown that there is always a difference between the sum totals because of mistakes made and overlooked. However, the difference is less than it would cost to find the error or errors, and it is charged against the reserve for shrinkage just the same as with merchandise.

Once the sum totals have been found the general ledger accounts receivable control has been established.

The checks meanwhile have been sorted in the sortograph according to alphabetical order. They are then transferred to 13 clerks who post the items on the jackets of customers' accounts, placing the checks inside the jackets. Postings on the jackets are made in pencil only, and every time a new posting is made the previous posting is checked for accuracy. There is no other book work to be done on any account and at the end of the month the charges of each account are totaled. The monthly statements (Illustrations Nos. 1 & 2) show only the final amount, and checks are taken from the jacket and stapled to the statement for customer's audit. The customer can examine every charge and the signature on the check while the store retains the tissue (Illustration No. 4) of the sales check as evidence of the transaction.

Payments on charge accounts are handled the same way. Each amount paid is posted almost immediately after it has been made. Receipt slips also are filed alphabetically in the sortograph.

This manual posting eliminates the use of bookkeeping machines (thirteen), as well as the folding machine, ledger sheets and statements.

Advantages of New Method

Here are the advantages of the new and simplified method:

1. Customer history is always up to date.

2. No copying from any records is necessary and the actual transaction serves as reference.

3. There is no duplication of records.

4. Elimination of practically all office machines and ledgers, even the statement folding machines, as the new statements and checks fit the window envelope used.

5. Simplification of the clerical help question, as no skilled office machine operators are needed. File clerks can do the job just as efficiently and for less cost. Office salary savings are 25 per cent.

(Turn to "Simplified System," page 31.)

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NATIONAL RETAIL CREDIT ASSOCIATION

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An *Efficient* Method of Freezing Accounts

Earl G. Casey,
Credit Sales Manager



Hale Brothers,
Sacramento, Calif.

A SYSTEM BASED upon the use of a 4" x 6" card headed up by addressograph has provided us with an effective, yet inexpensive, method for "freezing" and "defrosting" charge accounts. Under the operation of this plan, for example, all of our defaulted accounts are "frozen" by 10 A.M. on the 11th day of the month.

There is a 4" x 6" card for each customer showing his name and address. These cards are filed alphabetically and remain in file as long as an account is in a current condition. But should the account go into default, the 4" x 6" card is removed from the current file and used as a "freezing" device.

Thus when the statements are ready for mailing at the end of the month, they are removed from the ledgers and separated into two groups: (1) those that are current; and (2) those on which a previous month's balance remains unpaid. Then before the overdue statements are mailed, the information they contain is transferred to the 4" x 6" cards. A card is pulled for every overdue account and the outstanding balance and month of purchase are posted to it in longhand. After this work is completed, the delinquent cards are kept in a separate file until the morning of the 11th. Cash payments are noted on the cards daily, either by cancelling or reducing the overdue amount—depending upon the amount of the payment.

Then, promptly at 8 A.M. on the morning of the 11th, from ten to twelve employees report for the job of "freezing" the defaulted accounts. They take the 4" x 6" cards which remain in the overdue file—and which now represent defaulted accounts—and use colored signals to "freeze" these accounts on the authorization index. After the "freezing" job is done, the 4" x 6" cards are filed in a Kardex visible file and used for collection follow-up.



Cash is checked daily against this Kardex file of frozen accounts. If a payment removes the default, the appropriate 4" x 6" card is taken from the visible file and handed immediately to the authorizers for removal of the default signal. After this is done, the card is then filed in alphabetical order along with the cards of other customers whose accounts are in a current condition.

This system enables us:

1. To freeze all defaulted charge accounts promptly after the tenth of the month.
2. To remove the restrictions immediately after the default has been cured.
3. To maintain regular collection follow-up of defaulted accounts from the 4" by 6" cards.
4. To authorize charge purchases secure in the knowledge that all restrictions have been properly signaled.

Use of Credit Bureau Does Pay

PROOF THAT consistent use of the credit bureau does pay is suggested in the subject matter of a bulletin sent out by the Retailers Credit Association of San Francisco, Inc., San Francisco, California, to their members. With it was sent a report showing the splendid collection percentage record for that city for the month of December, as well as cumulative percentages for the years 1941 and 1942. The message in the bulletin read as follows:

Let's Look at the Record!

Regulation W, now less than one year old, has accomplished for the retail merchants of our community what they themselves could not accomplish over a period of years! Less than a year old—what has happened?

Department Stores in San Francisco have, as a whole, increased their collection recovery over 16 per cent. One store has shown an average increase for the year 1942 of better than 25 per cent. Another reports over 20 per cent increase, while those in the lower recovery brackets indicate from 8 per cent to 11 per cent over the past 12 months!

Specialty stores, which as a group in the past have always shown the lowest collection recovery, have an average improvement among *all* stores of approximately 9 per cent, with the best record in this classification reaching nearly 10 per cent—and the lowest at 6.60 per cent!

Men's furnishing stores, with complete figures from four establishments only, indicate an average recovery increase of 7.50 per cent and the best record at 8.50 per cent—the lowest 6.50 per cent.

This analysis of collection recoveries throughout 1942 is most interesting and in reviewing our own records we find that the best showings have been made by those stores using the retailers to the fullest extent! Over a period of years, those firms maintaining the closest credit ties with the credit bureau have consistently reached the "post" each December with the best collection percentage records.

Think this over! It is Significant!

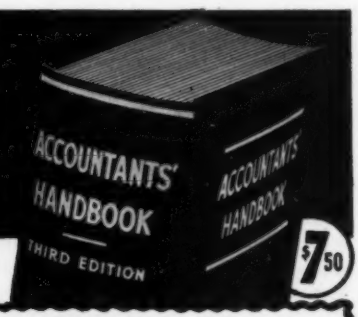
Editor's Note: It is worthy of note here that the retail credit granters of San Francisco have continued their splendid collection record during the year 1943 to date, according to our *Collection Scoreboard* figures published monthly in The CREDIT WORLD. While Regulation W has, no doubt, resulted in increased collections in San Francisco as well as other cities throughout the United States, the consistent use of the credit bureau has indeed been an important contributing factor.

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Penny Wise, Pen Foolish

Frank J. Wilson
Chief of the United States Secret Service

RABELAIS ONCE WROTE: ". . . the one half of the world knoweth not how the other half liveth." Let me paraphrase his philosophy this way: "The underworld careth not how the rest of the world liveth." Which is merely another way of saying that the crook who preys upon an unsuspecting public doesn't give a hang about the suffering and hardships his crimes inflict upon his victims.

This is particularly true today of one crime, the theft and forgery of government checks. Perhaps you've never given much thought to that specific offense. But that's just the trouble. The fact that people generally don't stop to think about forgeries when they pay out their good money for checks is the stock-in-trade of the check forger. He capitalizes on carelessness, just as the currency counterfeiter does.

Now counterfeiting is different from check forgery, yet both crimes have one common denominator. They cannot succeed against anyone who is educated to beware of bogus money or forged checks. When a crook begins an expedition to pass phoney bills, or to cash forged checks, he is really taking a gamble that the corner groceryman or the neighborhood druggist can be fleeced pretty easily.

Plenty of Americans have lost a great deal of money because they didn't know the good from the bad. In fact, from 1933 to 1936, they lost an average of $800,000 every year. In 1937, with the encouragement of Henry Morgenthau, Jr., Secretary of the Treasury, the United States Secret Service undertook to fight the counterfeiter by changing the habits of the country.

We figured this way: If the potential victims of bogus money learn how to detect it, they won't be stuck with it. They will cease to be potential victims of the counterfeiter, and instead they will be his potential captors. So the Secret Service sent its agents into stores and schools and business houses all over the country to teach Americans to be "counterfeit-conscious." The slogan "Know Your Money" was not only the battle cry of the campaign, but it was also the advice followed by the butcher, the baker and candlestick-maker which spelled doom for the bogus money passers. In fact, for the year ended June 30, 1942, the losses suffered by a public educated to detect counterfeits dropped an amazing 93 per cent below the $800,000 yearly average mentioned previously. That campaign had been so effective that the Secret Service adopted a long-range program of crime prevention through education as a permanent policy, for it had been shown that education, directly applied, can *prevent* any crime which depends for success upon the ignorance or carelessness of its victims.

Check forgery is just such a crime. Right this minute, your Government is issuing millions of checks to wives, mothers, sisters and others who are dependent upon soldiers and sailors fighting for you in some jungle, desert or sea. These checks are allotments and allowances intended to support the folks at home until their boys return from the wars. When a check thief steals a check out of a mail box, he doesn't care whether or not the mother or wife or children who are waiting for that check will go hungry for want of it. His only concern is getting the cash the check represents.

Until recently, that hasn't been difficult, because the average small retailer never questioned a government check. He felt that a check issued by the United States Treasury is as good as gold, and of course it is, provided it is endorsed by the person who is entitled to it. A government check bearing a *forged* endorsement can result in as much of a loss as any forged personal check. And the ease with which forged

Rubber Bills

(Three for a Nickel)

NOT so long ago street peddlers in New York City were selling "rubber bills" to all comers. Price: three for a nickel. These novelties were printed on thin rubber cut the size of a bank note. The general design gave the impression of money, yet avoided conflict with the counterfeiting laws by carefully eliminating any real similarity to genuine bills. In bold lettering at the top of the rubber notes were the words: "Unique Skates of America." At the bottom were the words: "One Rollar." And on the face of the bill appeared the legend: "If you can spend this, you're a magician!"

Well, two magicians riding in an automobile in 1938 B.C. (Before Coupons) actually passed a rubber sawbuck ($10) on a Long Island farmer, in payment for butter. He didn't even notice there was anything wrong with the bill until he went to the bank to make his deposit. His remarks can't be printed, but you can bet that he takes a good look at every piece of money he gets nowadays. That ten dollars cost the farmer a lot of hard work, and he had to sell many crocks of butter to make up his loss. He would have had to work just as hard and sell just as much butter if he had been stuck with a real counterfeit bill, printed on paper, except that he might not have felt so ashamed of himself for taking it.

checks have been cashed would surprise you.

In the Secret Service files, for example, is a case involving many so-called "checks" drawn on a dream bank by an impostor, made payable to mythical persons and signed with fictitious names. A deserter from the United States Army bought a bunch of cheap blank checks in a dime store. On each check he inscribed by typewriter the name "Quartermaster Bank of the United States Army." No such bank exists. He made the checks payable to any name that came to mind, and for whatever amounts he needed. He traveled across the United States, marking his route with the phoney checks which he had no trouble in cashing. He was arrested by the Secret Service and sent to jail.

Upon his release he took another trip, using the same methods, the same kind of checks. He was caught the second time and again sent to prison. When freed once more, he made a third cross-country trip, financed the same way, and finished like the others. And only a few months ago the wanderlust broke out a fourth time and he started another tour. He knew from experience that storekeepers were so gullible that it would be foolish for him to seek some new field of crime, so he used the same old checks, the same old methods.

The Secret Service discovered that he was suffering from tuberculosis, would probably require medical treatment, and cautioned all doctors and hospitals to be on the watch for him. One day a doctor in Kansas City, Missouri, called the Secret Service office there to report that the traveler had arrived. He was taken into custody, and for the fourth time has been sent to prison, this time for a long term.

All the people victimized by this man have lost money which cannot be recovered. But they lost it because of their own carelessness. After all, they paid good money for crudely prepared pieces of paper that didn't even look like checks. Small wonder that forgers find it easy to cash real government checks with mere forged endorsements.

The Secret Service has begun a "Know Your Endorsers" campaign to crack down on the forgers of government checks. With the help of the public we will see that the dependents of our soldiers and sailors get the checks their boys rightfully want them to have. And this is how we intend going about it:

To the families who receive the checks, we give these suggestions:

1. **Be sure your name is printed clearly on your mail box.**
2. **Be sure your mail box is strong, and can be locked.**
3. **When your government check is due, try to have a member of the family at home to receive it.**
4. **If possible, arrange with your mail carrier to signal you when a government check is delivered.**
5. **Don't endorse your government check until you take it to the store or bank where you will cash it.**
6. **Try to cash your government checks in the same place each month. This will simplify identification.**
7. **If you change your address, be sure to notify your local post office in writing, giving your new address.**

And to those who cash government checks, we say:

1. **Know your endorsers!**
2. **Insist upon proper identification of all strangers presenting government checks. Forgers aren't particular, but you yourself must be.**
3. **Before paying money for any government check, ask yourself this question: If this check is returned because of a forged endorsement, can I locate the forger and recover my loss?**
4. **Have all government checks initialled by the employee who cashes them.**
5. **Don't hesitate to ask questions of strangers who present government checks. It's your money that's at stake. If a check bears a forged endorsement, you are the loser.**

The best way to fight any evil is always that provided by an educated public, for the crook who is unable to find victims to prey upon is quickly forced out of his criminal activity. The people make forgery dangerous and unprofitable when they learn to guard against it effectively, and the most effective way to avoid losses through acceptance of forged government checks is to KNOW YOUR ENDORSERS! In other words, don't be penny wise and pen foolish.—*The Casualty and Surety Journal, May, 1943.*

Avoid Default

The convenience of your charge account is available to you as long as it is paid promptly.

But...Government Regulations will not permit the charging of listed merchandise if an account is in *default.*

Avoid any possibility of *default* by paying this statement on or before the tenth of the month.

DON'T DELAY **DO IT TODAY!**

ANOTHER

REGULATION W REMINDER

Here is a real collection aid, designed for use on statements of better pay customers temporarily in arrears. Carefully worded to secure payment of the entire account and not merely the amount in default. While complying with government requirements, it collects the money and keeps accounts active. *A Sticker worth many times the small cost of $2.00 a thousand.*

NATIONAL RETAIL CREDIT ASSOCIATION

Shell Building **St. Louis, Mo.**

CREDIT DEPARTMENT LETTERS

• *Aline E. Hower*

In the debut of Dimitri Mitropoulos as guest conductor of the famed Minneapolis Symphony Orchestra, everything went perfectly with the exception of the French horn, which seemed to go sour in an important passage.

The Orchestra's business manager went to Mitropoulos and suggested that he speak to the horn player and tell him to pull himself together. Mitropoulos declined.

Next day, in the intermission just before Tchaikovsky's tempestuous Fifth Symphony, with its solo for the French horn, the excited business manager sought out Mitropoulos once more and said, "Again I ask you to speak to the horn player."

"No, I will not speak to him," said Mitropoulos. "The man has been frightened by other guest conductors. Tell him I say he is good, but to have more courage when he reaches the solo in the Fifth Symphony."

The business manager hurriedly took the encouraging message to the horn player who probably was shivering in his shoes.

The horn solo comes in the second passage, and when it was reached, the French-horn player who had faltered the day before, gave a smooth, expressive performance of the famed solo; and the audience was breathless in admiration.

Came the third and fourth passages, and then a storm of applause which shook the vast Northrop Auditorium. The audience refused to stop applauding until Fred Fox, the horn player, was called to take a bow with Mitropoulos, the guest conductor. For a French-horn player to be accorded a bow in any orchestra is unusual; with one of the skill of the Minneapolis ensemble it is almost a musical revolution.

"Tell him he is good—but to have more courage"—what a tremendously better way than pride-crushing criticism. No wonder Dimitri Mitropoulos is the talk of the musical world.—*American Business.*

TESTED CREDIT AIDS

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1a. Unforgiving Minutes
1b. Let's All Do Our Part
Prompt payment stimulators with an "all out for Victory" theme.

REGULATION W INSERTS
2a. What the Government Charge Account Regulation Means to You
2b. Your Charge Account
Send No. 2a to all your charge customers; No. 2b to overdue accounts.

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3a. Are You Doing Your Part?
Increases charge sales and reduces returns.

COLLECTION INSERT
4a. We Have Your Name in This 'Who's Who'
Ties in with the Credit Bureau. Will bring in reluctant dollars from slow-pay accounts.

CREDIT FORMS
5a. Charge Account Conversion Agreement
For use when converting charge accounts.
5b. Guarantee and Waiver Form
5c. Waiver Form
Nos. 5b and 5c for use under Relief Act.

ONLY $2.00 A THOUSAND

COMBINATION OFFERS
6a. The Layman's Handbook of Regulation W and *The Soldiers' and Sailors' Civil Relief Act.* Both for $1.00
6b. Successful Credit Department Letters, Volumes I and II. Both for $1.50

Order By Number From

National Retail Credit Association
SHELL BUILDING ST. LOUIS, MISSOURI

This Month's Illustrations

The fine examples of good letter writing reprinted this month are the second group of winners of the letter writing contest. The first four selections were published in the May issue, and the others will follow in future months.

Illustration No. 5, written by Mrs. R. S. Bunn, Credit Department, The City Dairy Company, St. Paul, Minnesota, uses the effective pride approval appeal. Such an expression of cooperation and understanding should induce anyone to explain the situation fully and pay the account as quickly as possible.

Illustration No. 6 comes from Mr. Charles Burrell, Department of Accounts, James McCreery & Co., New York. The letter is well worded, to the point, and brings out the customer's personal benefit as well as that of James McCreery & Co., and our country. Surely every American will do his utmost to comply with the Government Credit Regulations. Mr. Burrell has worded his message in such a way that certainly the customer will realize his obligation to pay the account promptly.

Illustration No. 7 is written by Mr. H. L. Barrick, Divisional Credit Manager, Bullock's, Los Angeles. The letter has a friendly tone throughout, and yet points out the seriousness of the account, and gives all of the facts involved.

In such busy times as these, everyone likes to arrange his affairs in the most convenient way for all concerned, and Mr. Barrick's letter should impel the reader to pay his account and take advantage of the privilege of charging his purchases.

Illustration No. 8 from Mr. P. MacIntyre, Credit Manager, Lane Bryant, Indianapolis, Indiana, gives an excellent appeal to the reader's sense of fairness. It reassures the customer that every possible effort has been made on the part of Lane Bryant to retain a friendly relationship between them, and that her business is wanted and appreciated.

1536 RICE STREET — HUMBOLDT 1373

THE CITY DAIRY COMPANY

Grade "A" --- Pasteurized Dairy Products

ST. PAUL, MINN.

⑤

December 29, 1943

Mr. John Allan
2195 Jameson Street
St. Paul, Minnesota

Dear Mr. Allan:

"Every cloud has a silver lining." We know you've seen much more of the cloud lately, but you may be sure the silver lining will appear.

Mr. Allan, we know you really want to be "square with the world"; in other words, you want to pay up your accounts as quickly as possible. If just now you feel you can't pay even a small amount on your bill, won't you call us to explain the situation. You'll find we are patient and eager to cooperate with you.

We shall look forward to hearing from you soon.

Sincerely;

The City Dairy

Rosalie S. Burns

Credit Department

RSB-gh

ESTABLISHED 1837 — **James McCreery & Co.** — 5th Avenue at 34th Street, New York — TELEPHONE WISCONSIN 7-7000

April 29, 1943

Mr. Allen Royal
4578 Market Street
Brooklyn, New York

⑥

Dear Mr. Royal:

You have a threefold opportunity. Prompt payment of accounts today not only satisfies your and our private interests, but now also those of our country as well, as indicated in Government Credit Regulations.

Considering our Government's intent, and the fact that a present settlement of your account will assure your future use of it when desired, it will do us all a service if you will send us your check now.

Very truly yours,

JAMES McCREERY & CO.

Charles Burnell

Department of Accounts

CB/B

---

⑦

BULLOCK'S

LOS ANGELES

February 9, 1943

Mr. Arthur W. Green,
4321 Eucalyptus Lane,
Los Angeles, California

Dear Sir:

Your account at Bullock's showing an unpaid indebtedness of $150.00 for purchases charged from August to November is now in serious default not only from the standpoint of our term requirements, but also according to the provisions of Governmental Regulation "W".

Because of this fact you are being deprived of the convenience of charging your selections, and we are sustaining the loss of your business. There is, therefore, an obvious reason for our mutual concern.

May we ask your cooperation in arranging a prompt settlement for the balance due. It will be appreciated.

Very truly yours,

Bullock's

H. L. Barnett

Divisional Credit Mgr.

HLB:EW

RETAIL STORES in NEW YORK, BROOKLYN, PHILADELPHIA, BALTIMORE, DETROIT, CHICAGO and ST. LOUIS

Lane Bryant

782 EAST MARKET STREET
INDIANAPOLIS, INDIANA

Slenderizing Apparel for Stout Women and Misses

⑧

June 12, 1943

Mrs. Rosa M. Cass
Five Hundred Chambers Road
Indianapolis, Indiana

Dear Madam:-

When I was a little boy my mother was very patient about everything I did until I made a promise---and broke it. As I recall now that only happened once, for what she said to me was so impressive I just didn't dare ever do it again.

In writing to you about your account we have been very patient until now----and we would like to keep on being patient if that is the right thing to do.

But I am told that you have not kept the promise which you made to us recently, and if we are going to be friends I think you should immediately send us that payment---or at least a partial payment---even if it means some sacrifice to you to do so.

We do want to be friends. We want you to get this account all paid up so that you can come to us again and again and again. But we just can't be friends unless we can depend upon your keeping every promise you make and making all of your payments with reasonable regularity.

Do, please, let me hear from you by return mail.

Yours very truly,

C. MacIntyre

Credit Manager

CL/BP

1942 Retail Credit Survey

Department Stores

TOTAL DEPARTMENT STORE sales in 1942 were 14 per cent above those of the preceding year, reflecting sharp increases in cash sales. Instalment sales declined substantially during the year and charge-account sales, which decreased during the summer and fall of 1942, showed, for the year as a whole, little change from the 1941 level. Credit sales in 1942 comprised only 45 per cent of the total sales volume as compared with 52 per cent in the preceding year. Table 1 shows sales by type of payment, by size of store, by Federal Reserve Districts and by leading cities. These data are based on reports from 465 credit granting stores accounting for more than one-half of all department stores' sales in the country.

Continued expansion in sales of department stores during 1942 was due partially to substantial price rises but there were several other important contributing factors. Anticipation of shortages in several lines set off several waves of forward buying during 1942. Income payments continued to rise during that period enabling many persons, who might otherwise have been excluded from this market, to buy for cash or to meet the stricter credit terms imposed by Regulation W. During the first half of the year, merchants were able to obtain replacements

Table 1

RETAIL CREDIT SURVEY

Sales of Department Stores, 1941 and 1942

Classification	Number of stores reporting	Percentage change, 1941-1942				Per cent of total sales					
		Total sales	Cash sales	Charge account sales	Instalment sales	Cash sales		Charge account sales		Instalment sales	
						1941	1942	1941	1942	1941	1942
Total (all reporting stores)	465	+14	+31	+ 1	-18	48	55	43	39	9	6
Size (1942 annual sales volume):											
Under $1,000,000	125	+17	+32	+ 5	-29	52	59	42	38	6	3
$1,000,000 to $5,000,000	207	+17	+36	+ 3	-17	48	55	44	39	8	6
$5,000,000 to $10,000,000	64	+14	+37	+ 1	-21	44	53	46	40	10	7
$10,000,000 to $20,000,000	30	+14	+33	+ 1	-19	45	53	46	41	9	6
$20,000,000 and over	36	+12	+26	0	-16	50	56	42	38	8	6
Federal Reserve District:											
No. 1—Boston	37	+11	+26	0	-21	49	55	43	39	8	6
No. 2—New York	61	+ 9	+19	- 4	-17	60	66	31	27	9	7
No. 3—Philadelphia	39	+14	+34	+ 5	-21	41	47	49	46	10	7
No. 4—Cleveland	46	+13	+33	+ 2	-20	41	47	50	46	9	7
No. 5—Richmond	37	+19	+48	+ 4	-20	41	51	47	41	12	8
No. 6—Atlanta	35	+14	+38	+ 1	-31	42	51	48	43	10	6
No. 7—Chicago	71	+14	+29	+ 1	-17	51	58	41	36	8	6
No. 8—St. Louis	23	+15	+33	+ 1	-13	46	52	47	42	7	6
No. 9—Minneapolis	25	+11	+30	- 2	-11	43	50	51	45	6	5
No. 10—Kansas City	23	+22	+49	+ 3	- 9	43	53	50	42	7	5
No. 11—Dallas	23	+17	+51	+ 3	-35	34	43	59	53	7	4
No. 12—San Francisco	45	+21	+45	+ 2	-10	45	54	47	40	8	6
City:											
Akron, Ohio	3	+25	+49	+10	*	43	51	*	*	*	*
Atlanta, Ga.	4	+12	+43	+ 2	-32	31	39	61	56	8	5
Baltimore, Md.	4	+21	+52	+ 4	- 9	39	49	51	43	10	8
Birmingham, Ala.	4	+14	+39	- 2	-35	45	56	45	38	10	6
Boston, Mass.	8	+ 9	+22	- 2	-20	52	58	41	37	7	5
Buffalo, N. Y.	6	+19	+37	+ 8	-18	43	51	49	44	8	5
Chicago, Ill.	15	+ 9	+21	- 3	-22	56	62	38	33	6	5
Cincinnati, Ohio	7	+12	+31	+ 2	-30	42	49	49	45	9	6
Cleveland, Ohio	7	+14	+34	0	-11	45	52	48	42	7	6
Dallas (area), Texas	8	+12	+46	+ 3	-37	29	37	61	57	10	6
Denver, Colo.	3	+20	+55	0	- 9	38	49	56	47	6	4
Detroit, Mich.	4	+18	+36	+ 3	-12	51	58	39	34	10	8
Duluth, Minn.	3	+17	+44	+ 2	*	39	48	*	*	*	*
Fort Wayne, Ind.	3	+23	+46	+ 9	*	42	50	*	*	*	*
Houston (area), Texas	3	+15	+44	+ 2	--	32	40	68	60	--	--
Indianapolis, Ind.	4	+22	+43	+ 5	-14	48	56	44	38	8	6
Kansas City, Mo.	4	+23	+45	+ 2	- 8	51	60	42	35	7	5
LaCrosse, Wis.	3	+ 6	+15	- 6	*	59	64	*	*	*	*
Little Rock, Ark.	3	+28	+67	+ 6	*	36	47	*	*	*	*
Los Angeles, Calif.	9	+12	+28	- 2	-17	49	56	45	39	6	5
Louisville, Ky.	3	+10	+35	+ 1	*	32	39	*	*	*	*
Memphis, Tenn.	4	+20	+49	+ 3	-21	44	54	46	39	10	7
Milwaukee, Wis.	5	+17	+33	+ 6	-12	48	54	43	39	9	7
Minneapolis, Minn.	5	+13	+35	- 1	- 4	38	46	55	48	7	6
Nashville, Tenn.	3	+13	+36	+ 5	*	39	47	*	*	*	*
Newark, N. J.	4	+ 7	+31	-11	-25	46	57	45	37	9	6
New Haven, Conn.	3	+12	+26	+ 2	*	48	54	*	*	*	*
New York, N. Y.	16	+ 7	+14	- 6	-17	68	72	23	21	9	7
Philadelphia, Pa.	6	+15	+39	+ 6	-18	35	42	53	49	12	9
Pittsburgh, Pa.	6	+ 7	+26	+ 1	-19	31	37	58	55	11	8
Portland, Ore.	4	+27	+61	0	- 2	45	57	47	37	8	6
Providence, R. I.	4	+13	+35	- 1	-22	43	52	47	41	10	7
Rochester, N. Y.	4	+13	+27	+ 4	-29	45	51	49	45	6	4
St. Louis, Mo.	3	+11	+25	- 1	-10	49	55	44	39	7	6
St. Paul, Minn.	5	+ 8	+27	- 6	-23	48	56	45	39	7	5
San Antonio, Texas	3	+26	+63	+ 5	*	43	55	*	*	*	*
San Francisco-Oakland, Calif.	9	+22	+50	+ 3	-11	42	52	49	41	9	7
Seattle, Wash.	4	+33	+65	+ 9	+10	42	52	50	41	8	7
Syracuse, N. Y.	3	+12	+31	+ 2	*	43	50	*	*	*	*
Toledo, Ohio	3	+17	+39	+ 5	*	41	49	*	*	*	*
Trenton, N. J.	3	+17	+32	+ 4	*	57	64	*	*	*	*
Tulsa, Okla.	3	+27	+57	0	*	43	53	*	*	*	*
Washington, D. C.	4	+18	+54	+ 2	-18	37	48	48	42	15	10
Wheeling, W. Va.	4	+ 6	+21	- 2	-32	40	45	56	53	4	2
York, Pa.	3	+22	+34	+ 8	*	57	63	*	*	*	*

*Withheld to avoid disclosure.

NOTE: These data are based on reports of identical credit-granting stores showing net sales (gross sales less returns and allowances) by type of transaction for 1941 and 1942.

equal to or beyond the demands of the buying public, thereby enabling them to accumulate and maintain unprecedentedly large inventories in many lines. But as sales increased sharply in the fall and Christmas season of 1942, merchandise was less easily replaced and stocks declined. By the end of 1942, department store inventories had returned to about the average for earlier years but, without replacement, they are insufficient to maintain the current high rate of sales.

Department stores of all sizes reported a rise in total sales during 1942, the increase for the various size groups ranging near the average of 14 per cent. The largest expansion, 17 per cent, was reported by firms with the

Editor's Note

Since 1930, the National Retail Credit Association has sponsored the Retail Credit Survey by the Department of Commerce. Last September this project was transferred to the Federal Reserve Board. Woodlief Thomas, Assistant Director, Division of Research and Statistics, Federal Reserve System, Washington, has prepared, exclusively for readers of The CREDIT WORLD, these results of the 1942 survey of department stores.

1942 annual sales volume of less than $5,000,000, and the smallest increase, 12 per cent, by stores with sales of $20,000,000 or more. The New York Federal Reserve District, which is dominated by New York City department stores, showed an increase of 9 per cent in total sales from 1941 to 1942 as compared with gains of 21 and 22 per cent in San Francisco and Kansas City Districts.

The dollar volume of cash sales rose 31 per cent in 1942 and the ratio to total sales increased from 48 to 55 per cent. The expansion in cash sales was nationwide ranging from more than 60 per cent in Little Rock, Seattle, San Antonio, and Portland, Oregon, to 14 per cent in New York City.

The restrictions on the extension of instalment credit imposed by Regulation W, together with disappearance or shortages in many durable lines, had a marked effect

Table 2
SALES BY TYPE OF TRANSACTION
Without seasonal adjustment

Year and month	Index numbers; 1941 monthly average = 100				Percentage of total sales		
	Total	Cash	Charge account	Instalment	Cash	Charge account	Instalment
1941—Jan.	72	73	72	72	49	43	8
Feb.	70	68	70	79	47	43	10
Mar.	87	85	88	91	47	44	9
Apr.	98	95	101	104	47	44	9
May	97	94	100	99	47	44	9
June	88	88	89	86	48	44	8
July	73	74	70	82	49	41	10
Aug.	98	91	99	136	45	43	12
Sept.	113	107	120	116	45	46	9
Oct.	106	106	107	102	48	44	8
Nov.	114	116	114	103	49	43	8
Dec.	182	201	170	131	53	41	6
1942—Jan.	100	103	99	85	50	43	7
Feb.	85	87	83	85	49	42	9
Mar.	111	113	108	107	50	42	8
Apr.	108	112	107	94	50	43	7
May	97	108	92	66	53	41	6
June	95	111	84	54	56	39	5
July	79	97	66	50	59	36	5
Aug.	98	117	81	73	58	36	6
Sept.	120	140	105	76	56	38	6
Oct.	133	160	113	89	57	37	6
Nov.	135	162	114	89	58	36	6
Dec.	208	263	166	112	61	34	5
1943—Jan.	100	123	82	63	59	36	5
Feb.	116	140	99	70	58	37	5
Mar.	120	147	100	67	59	36	5

NOTE: The indexes shown here are based on total monthly sales.

Table 3
DEPARTMENT STORE ACCOUNTS RECEIVABLE AND COLLECTIONS

Month	Accounts receivable, end of month Indexes: Dec. 31, 1939 = 100		Collection ratios*	
	Charge accounts	Instalment	Charge accounts	Instalment
1940—January	79	95	48	17
February	69	92	45	17
March	70	91	46	18
April	70	90	47	18
May	72	90	47	18
June	71	89	46	17
July	62	86	46	17
August	64	88	44	17
September	75	92	43	17
October	79	96	47	18
November	82	101	49	19
December	106	110	45	18
1941—January	84	105	49	18
February	74	102	44	18
March	74	100	46	19
April	79	102	46	19
May	81	103	48	19
June	79	103	46	18
July	70	101	46	18
August	77	107	45	19
September	89	110	45	19
October	91	110	47	19
November	92	110	49	19
December	116	115	46	20
1942—January	98	108	50	20
February	87	103	45	19
March	88	102	46	22
April	89	99	47	21
May	83	91	50	22
June	69	81	56	22
July	53	74	60	23
August	53	70	59	24
September	63	67	60	25
October	69	65	65	29
November	70	65	63	29
December	91	68	65	31
1943—January	69	62	61	28
February	65	58	61	28
March	65	54	62	31

*Collections during month as per cent of accounts at beginning of month.

Note: These data are based on reports of about 475 large department stores reporting sales by type of transaction, more than 400 having charge accounts and about 300 having instalment accounts.

on the course of instalment sales during 1942. For the year as a whole, sales of this type declined 18 per cent from the record high level of 1941. The declines were less marked in the large production centers in spite of the greatly increased incomes.

Charge-account sales showed little change in dollar volume from 1941 to 1942, but declined considerably in their importance in the total. Small department stores reported somewhat larger increases than the medium-sized ones while the very large stores showed no change. Charge-account sales for all reporting stores declined from 44 to 39 per cent of total sales in 1942. The proportion continued smallest in the large city stores where cash and sometimes instalment sales account for a larger than average part of the total.

Monthly indexes of sales by types of transaction are shown in Table 2.

During 1942, instalment accounts outstanding in department stores were reduced about 40 per cent from the unprecedented high levels reached in the latter part of 1941. This reduction in instalment debt may be attributed, in part, to regulation of terms and increased down payments and, in part, to a decline in the number of persons incurring indebtedness, and to a speeding up of the rate at which they retired their obligations. The average instalment contract of department stores is now completed in five or six months, whereas in 1941 it ran for nine or ten months. The reclassification of short-term instalment plans which were subjected to down-payment requirements by Amendment 4 to Regulation W has

(Turn to "Retail Credit Survey," page 29.)



IT WORKS!

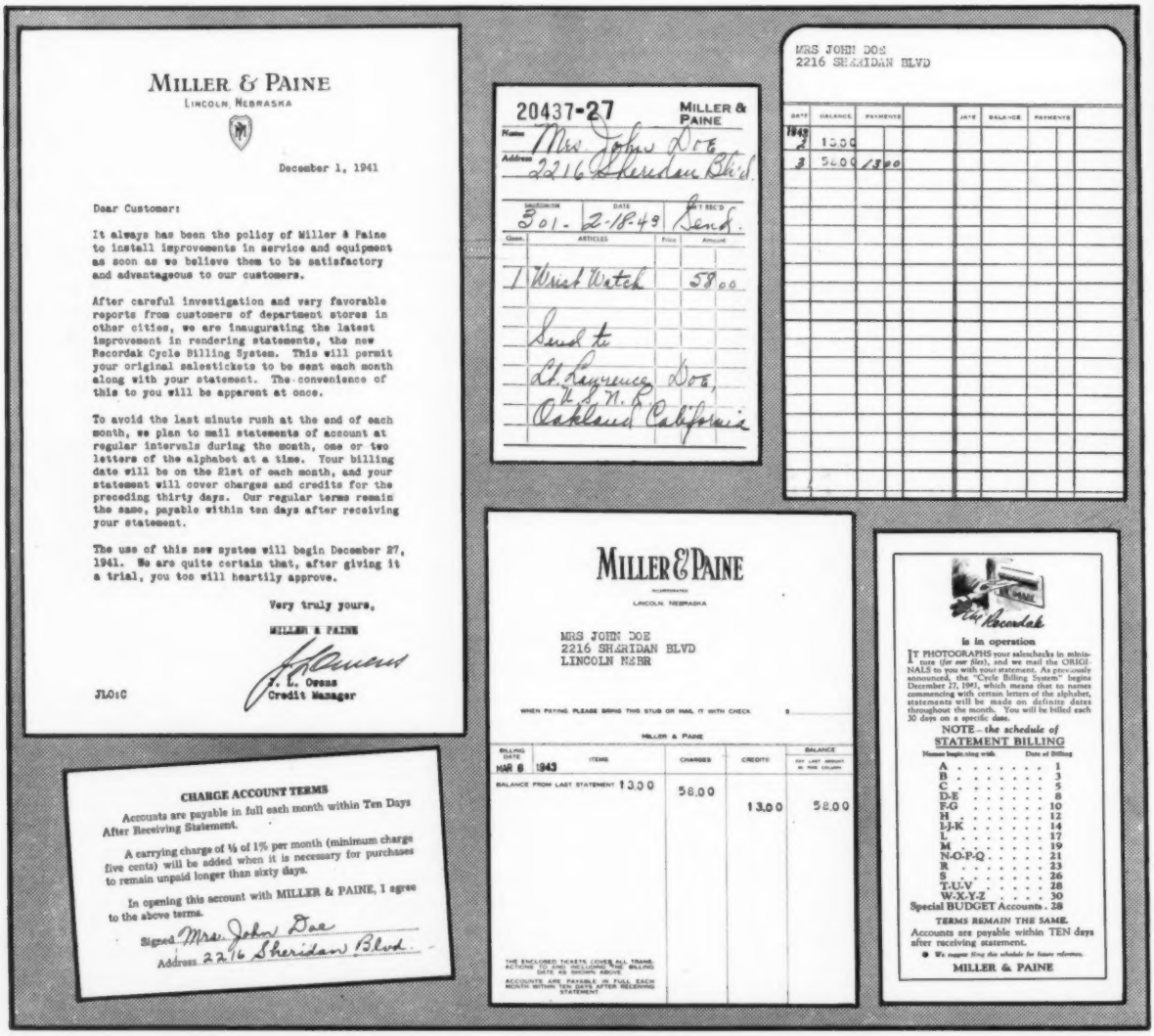
J. L. Owens, *Credit Manager*
Miller & Paine, Lincoln, Neb.

SINCE THIS PARTICULAR cycle billing system was set up by our own organization, our first duty in notifying our customers was to give it a name. Our choice of picture machine was the Recordak, consequently the new plan of mailing statements was introduced by name "Recordak Cycle Billing System."

We installed the credit history card system in 1928 and the subsequent experience has given us ample time to simplify this system wherever possible and bring it to a high point of efficiency. Our history card is 4½" x 6½" and is arranged to carry three years of the monthly balances, payments and returns. These cards are placed in vertical trays 5" wide by 15" long. A dividing card is placed in front of each credit history card which forms a pocket for stuffing tickets. One tray will hold 300 active accounts.

All authorization, collection, credit reports, etc., are made directly from the history card. Our cash payment receipts go directly from our window cashiers to the billing department and within an hour or so the following morning all receipts are stuffed.

The original charge ticket goes to our Auditing Department and the duplicate goes with the merchandise.



MILLER & PAINE
LINCOLN, NEBRASKA

December 1, 1941

Dear Customer:

It always has been the policy of Miller & Paine to install improvements in service and equipment as soon as we believe them to be satisfactory and advantageous to our customers.

After careful investigation and very favorable reports from customers of department stores in other cities, we are inaugurating the latest improvement in rendering statements, the new Recordak Cycle Billing System. This will permit your original salestickets to be sent each month along with your statement. The convenience of this to you will be apparent at once.

To avoid the last minute rush at the end of each month, we plan to mail statements of account at regular intervals during the month, one or two letters of the alphabet at a time. Your billing date will be on the 21st of each month, and your statement will cover charges and credits for the preceding thirty days. Our regular terms remain the same, payable within ten days after receiving your statement.

The use of this new system will begin December 27, 1941. We are quite certain that, after giving it a trial, you too will heartily approve.

Very truly yours,

MILLER & PAINE

J. L. Owens
Credit Manager

JLO:C

20437-27 MILLER & PAINE

Name Mrs John Doe
Address 2216 Sheridan Blvd.

201 - 2-18-43 Sent.

1 Wrist Watch 58.00

Send to
Lt. Lawrence Doe,
U.S.N.R.
Oakland California

MRS JOHN DOE
2216 SHARIDAN BLVD

DATE	BALANCE	PAYMENTS			DATE	BALANCE	PAYMENTS	
1943 2	13.00							
3	58.00	13.00						

MILLER & PAINE
INCORPORATED
LINCOLN, NEBRASKA

MRS JOHN DOE
2216 SHARIDAN BLVD
LINCOLN NEBR

WHEN PAYING PLEASE BRING THIS STUB OR MAIL IT WITH CHECK $ _____

MILLER & PAINE

BILLING DATE	ITEMS	CHARGES	CREDITS	BALANCE FOR LAST AMOUNT IN THIS COLUMN
MAR 6 1943				
BALANCE FROM LAST STATEMENT		13.00		
		58.00		
			13.00	58.00

THE ENCLOSED TICKETS COVER ALL TRANSACTIONS TO AND INCLUDING THE BILLING DATE AS SHOWN ABOVE

ACCOUNTS ARE PAYABLE IN FULL EACH MONTH WITHIN TEN DAYS AFTER RECEIVING STATEMENT

CHARGE ACCOUNT TERMS

Accounts are payable in full each month within Ten Days After Receiving Statement.

A carrying charge of ½ of 1% per month (minimum charge five cents) will be added when it is necessary for purchases to remain unpaid longer than sixty days.

In opening this account with MILLER & PAINE, I agree to the above terms.

Signed Mrs. John Doe
Address 2216 Sheridan Blvd.

Recordak
is in operation

IT PHOTOGRAPHS your salechecks in miniature (for our files), and we mail the ORIGINALS to you with your statement. As previously announced, the "Cycle Billing System" begins December 27, 1941, which means that to names commencing with certain letters of the alphabet, statements will be made on definite dates throughout the month. You will be billed each 30 days on a specific date.

NOTE—the schedule of
STATEMENT BILLING

Names beginning with	Date of Billing
A	1
B	3
C	5
D-E	8
F-G	10
H	12
I-J-K	14
L	17
M	19
N-O-P-Q	21
R	23
S	26
T-U-V	28
W-X-Y-Z	30
Special BUDGET Accounts	28

TERMS REMAIN THE SAME.
Accounts are payable within TEN days after receiving statement.

● We suggest filing this schedule for future reference.

MILLER & PAINE

Our simplified sales ticket carries no stub. These tickets are audited and the sales recorded by clerks and department. Then they are alphabetized, listed, and totalled by letters. Our billers carry a control by letters and a grand control of all letters which balances with our general accounts receivable outstanding. We carry a "to-balance" control to take care of some small error in billing. At this date the "to-balance" control shows $.35 in the red on all billings for 17 months.

Fourteen billings are made each month as follows:

Date	1	3	5	8	10	12	14
Letter	A	B	C	DE	FG	H	IJK
Date	17	19	21	23	26	28	30
Letter	L	M	NOPQ	R	S	TUV & SPECIAL BUDGET	WXYZ

If one of these dates falls on Sunday or a holiday, we close for billing on the previous day.

Posting Machines Adjusted to Handle Several Operations at Once

We merely adjusted our National Posting Machines to pick up the previous monthly balance from the credit history card, to list the charge and credit ticket amounts on the statement and to automatically post the statement new balance to the credit history card. One posting machine will do all the billing but we use two, half time, one for every other billing.

The statements are headed up just in advance of billing. Four girls take care of all heading up, stuffing, billing, filming, some authorizing, and other clerical work of the office. Our volume requires entries on a monthly average of 14,000 accounts with an average mailing of 11,000 statements each month. After seventeen months of operation, we feel prepared from experience and observation to make an accurate report.

This system has eliminated a vast amount of work besides relieving the rush and pressure in the following operations:

1. **Billing division.**
2. **Payment windows.**
3. **Adjustment of bills and correspondence.**
4. **Collection routine.**
5. **Authorizing procedure.**
6. **Storage of records problem.**
7. **Is more accurate and speeds up and facilitates service to customers under Regulation W.**
8. **Mailing division.**

The entire setup is so simplified that our entire accounts receivable division, which includes all the above functions, is operating, we believe, with at least one-fourth less personnel than the average department store office.

No Rushing or Overtime Necessary With New System

All the work in our office is usually done without rush or confusion by our regular office force between the hours of 9:30 A.M. and 6:00 P.M. Our office clerks do not work overtime, Sundays or nights.

We have found that our customers like to receive their original sales tickets. A few complained about the change in their billing date, but after explanation not one billing date has been changed.

The Book Shelf

The Complete Skip-Tracing Course (M. Myers, P. O. Box 526, Santa Monica, California, $2.00)—Every Credit Department employee should be familiar with skip-tracing procedure. Here is a course that teaches the fundamentals and presents a working knowledge of credit extension as it applies to skips. The science of skip-tracing is well worth the time of any man or woman who is interested in the field of credit and collection procedure. Every year thousands of business and professional men lose millions of dollars through bad debt losses, and many business failures are due to poor or no collection follow-up and bad credit extension. In this course is a vital basic training for skip-tracing, streamlined for quick, easy assimilation. Every credit department employee should possess one of these books. Mr. Myers is Credit Sales Manager, Campbell's, Santa Monica, Calif.

How to Dictate Better Letters (Harper & Brothers, 49 E. 33rd St., New York, N. Y., 118 pages, $1.50)—Effective letters increase business, make friends and build good will. The methods suggested in this book by James F. Grady and Milton Hall, have helped more than 45,000 letters, from major executives to beginning correspondents, in insurance companies, department stores, banks, railroads, government agencies, etc., to get satisfaction from dictating friendly natural and effective letters. A plan to improve the correspondence of a company, based upon the types of training programs conducted by these organizations, is described in Chapter 9, "Training and Supervision of Letter Writers." This book is meant to be used, not merely to be read.

Sixteenth Census of The United States: 1940, Census of Business: 1939, Vol. II, Wholesale Trade (U. S. Department of Commerce, Washington, D. C., 1942, 1,058 pages, $2.75)—This Volume presents statistics for the United States, for States, for cities of more than 5,000 population, and for counties. Characteristics of wholesale trade analyzed include monthly employment, employment and pay roll for one week, size of establishments, operating expenses, credit business and receivables, classes of customers, commodities sold, legal form of organization, ownership groups, and age of business are also included. Data are presented by types of operation and kinds of business.

The Organization and Training of Industrial Fire Brigades (S. C. Toof & Co., 195-201 Madison Ave., Memphis, Tenn., 119 pages, $1.00)—A manual now being used by many business and industrial establishments throughout the country as a safeguard against the hazards of fire and other destructive elements in the emergency that we are now facing. Written by Captain John C. Klinck of the Memphis Fire Department, this book contains a complete basic course of instruction for private fire brigades in the methods and practices of the public fire department.

Is This t

JOSEHITE
Vice-President, Harris Stores Company, Pittsburgh, First Vice

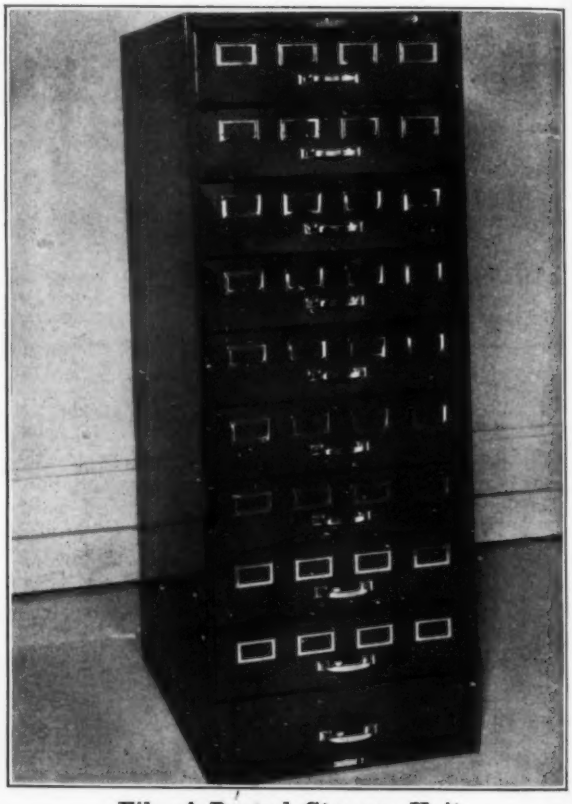
MY ARTICLE IN THE May CREDIT WORLD referred, in an introductory manner, to the idea which it is now my pleasure to give in detail. In the Credit Bureau of Pittsburgh, there are over a million reports in vertical files arranged in alphabetical order. These reports are 8 x 9 inches in size and require some 700 square feet of floor space. These will be reproduced on films in their present alphabetical sequence and filed in one film cabinet occupying less than five square feet of floor space.

Most in-file reports will no longer be telephoned to the member. Instead, a photographic reproduction of the film will be delivered to the member by messenger at regular intervals during the day. Where this type of service is not practical, photographic copies will be mailed within a few hours of receipt of the request. Telephone service on waiting in-files is still available. This number, however, will be only a small percentage of the total.

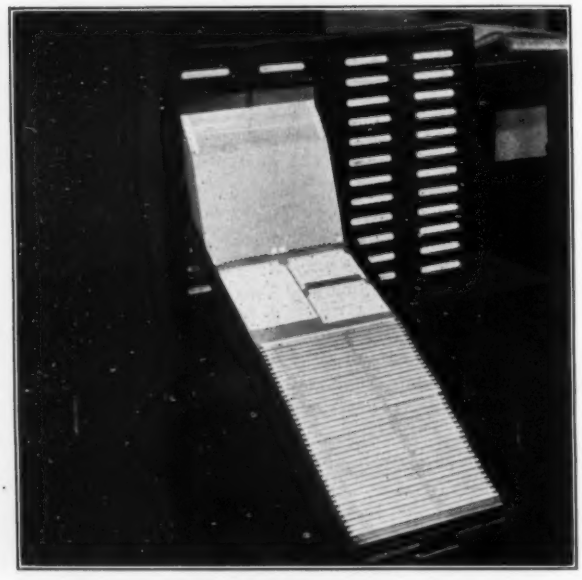
New Reports

New inquiries are received from the store with as much information about the applicant as is ordinarily secured. The investigation is made and the report completed after which the store's carbon copy is delivered and the Bureau report placed alphabetically in a file until about 5,000 (which is the number photographed on one roll of film) have been accumulated. They are then photographed on the film and the film numbered and filed.

A Chaindex visible reference card will be established for each new report, indicating the film number on which the report will be found. The cross reference card will then be filed in visible Soundex order so that all names sounding alike but spelled differently, automatically come to the same spot in the index. There is a very decided advantage to the Chaindex Cross Reference Index in that by this quick visible reference, it is apparent whether the name is in the files, thereby eliminating much reference to the films.



Film-A-Record Storage Unit



Chaindex Index

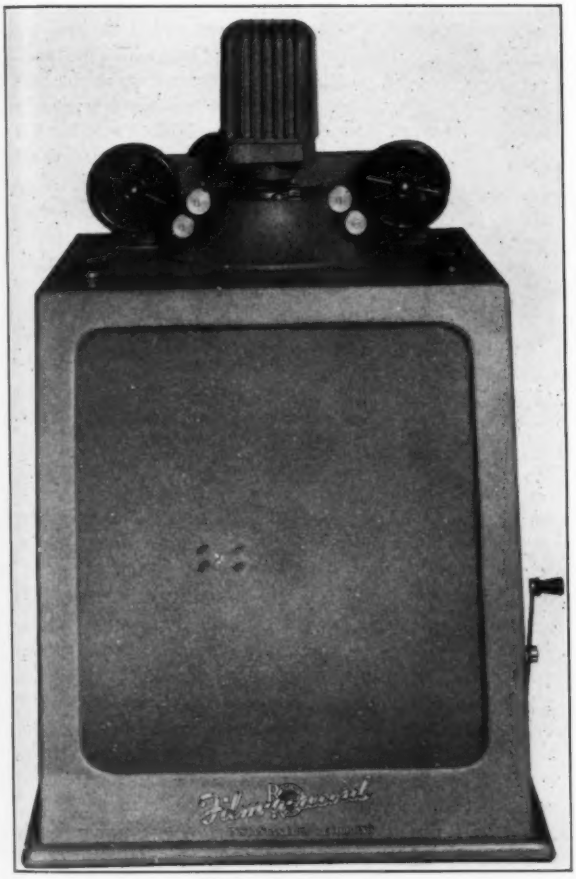
Changes and Additions

To change or add to an existing report, you merely locate the film, project in the projector and make a photograph of the present record. On this photograph will be made any changes or additions and the report placed in the new report procedure, which will place it on a new film. The Chaindex Index is changed to show the new film number, thereby cancelling all reference to the old record.

As a result or by-product of this new plan, there is an automatic method of aging credit reports which is one of the most annoying problems in credit bureau

tAnswer?

JOSEHITE
gh, First Vice-President, National Retail Credit Association



Film-A-Record

operations. The fact is that an in-file report over a certain age is practically useless for present-day credit granting. What this age of usefulness is can be determined, but for explanation of the plan of operation let us assume that five years is the limit.

First, all present records will be filmed, and at the end of five years, every record on those films is five years old, so the films can be destroyed.

Second, every time a report is altered through changes or additions, it is rephotographed and placed on a later film, which in five years will also become over age.

Third, each changed report and each new report when photographed will be cross-referenced in the Chaindex Index and each year a different colored index card will be used. When five years have elapsed, you not only destroy the film but also remove from the index all cards of the color representing the year to be destroyed.

A thorough study of the costs of present record operations as compared with expense under the new plan has revealed a savings in excess of 25 per cent. This, of course, applies particularly to Pittsburgh and may be more or less in other credit bureaus. This incredible figure is made up from reductions of typists, telephone clerks, telephone equipment, rental for floor space, janitor, light, stationery, etc. The Credit Bureau now has an opportunity to transfer many employees from their nonproductive capacity to an income-producing status.

Insurance

Premiums paid on insurance for records can be completely eliminated by producing double films and placing the extra copy in another building. In case of fire, it would be better insurance to have the pictures of the actual records rather than a check from the insurance company. One could not make an in-file report from the insurance check.

This Is the Answer

During the last ten years, considerable progress has been made in the application of photography for business uses. Remington Rand Inc., foremost in the field of record systems and methods research, and ever alert to serving business in the solution of its most perplexing problems, adds another to an already long list.

Does This Affect You?

I suggest that you contact your local Remington Rand Office for further data which will be available in the company's Systems Research Department.



Document Machine

Forty Years of Faithful Service

One of the pioneers in modern credit reporting, N. M. MacLeod is honored by his fellow credit granters as one who has always given as much as possible rather than as little.

AT A LUNCHEON of the Northwest Credit Conference held in Spokane, April 20, a gold plaque was presented to N. M. MacLeod inscribed as follows: "To Nicholas M. MacLeod in appreciation of 40 years of faithful service to the members of the Spokane Retail Credit Association, 1903 to 1943." At the top of this plaque is the shield of the National Retail Credit Association. Thus the members of the Spokane Retail Credit Association expressed to their beloved Secretary their respect and appreciation for his truly unselfish service in the operation of the Spokane Credit Men's Rating Bureau for 40 years.



The story of Mr. MacLeod's start in credit reporting in Spokane is as unusual as it is interesting. In 1903 he left his home in St. Paul, Minnesota, where he has been connected with a credit reporting concern, to establish a similar business in Australia. On his way to that country he stopped off in Spokane to visit a friend. There he found an opportunity to establish the Spokane Credit Clearing House now the Spokane Merchants Association, a wholesale organization. That same year he helped another man establish the retail credit bureau and took over the business himself in March, 1904. Another firm was suspending operations and Mr. MacLeod purchased their mailing list of 1500 names, kept in a single file no larger than a shoe box. From that single file has developed the credit records now amounting to several million cards.

Things weren't as smooth as it might seem. It was no easy job for Mr. MacLeod to cover the town at 5:00 A.M. with his bulletins. Nor was it an easy job to keep his bureau going, giving service in those days for 75¢ per month, and all the reports they wanted. He continued doing this until the credit men appointed a committee which analyzed the situation and recommended higher rates.

In the picture above, Ralph Watson (left) former President of the National Retail Credit Association is shown presenting the plaque to Mr. MacLeod. In presenting it he made the following remarks:

"This outstanding conference offers the Spokane Association a most appropriate opportunity to express its respect, its appreciation, and its love to one of its own, but one who is also respected and loved throughout the area represented here, and indeed throughout the nation. At this table sits one of the pioneers in modern credit reporting. One who has put his heart and soul into his work. One who has made his daily work serve the best interests of his community as a whole. One who has acted toward his associates and employees as if they were members of his own family. One who has given as much as possible rather than as little. . . .

"Mac has always been an Association man. He has always believed in cooperative organization. He has always belonged to his reporting group, and has always fostered the Credit Men's Association. It was at the time of a Reporters' Convention here that our National Retail Credit Association was formed with 26 charter members, 10 of them Spokane credit men. No man has probably contributed more to the National's success than our Mac, and nobody has been more unobtrustive or inconspicuous in doing it. He has always encouraged other bureau managers to get close to the National and stick there. He always thought a strong National membership meant a strong reporting service.

"No man was ever more devoted to his work and to his people. Some of us remember when he had serious trouble with his eyes—when he was almost blind. Yet he was always on deck and managed to carry on. Illness never had him down for long. Yet to me Mac has changed little in the 25 years I have known him. To meet him today either on business or socially is little if any different than in 1918. The years have not left him enfeebled in any way that we can see unless it be in sheer physical endurance.

"Mac, we hope this plaque will always remind you of our respect, of our appreciation and of our love. We hope we may have you with us for many years to come. We hope the rewards of these years will continually grow greater."

The National Office congratulates Mr. MacLeod on a job well done. We know his many friends in the United States and Canada join us in wishing him continued success and many years of good health and happiness. His splendid record is evidence of his desire to be of assistance to the credit granters of his community in furthering sound credit. The fact that Spokane has 388 National members, the largest in proportion to population of cities over 100,000, is indicative of Mr. MacLeod's keen interest in the National Retail Credit Association.

DO YOUR LETTERS MAKE A GOOD IMPRESSION?

EVERY letter you write makes an impression—good or bad. You are helping to build, or destroy, the reputation of your firm. True, your collection letters may get the money these days, but do they also retain customer goodwill?

Haven't you often wished there was some way you could improve your credit letters—some service, perhaps, that would come to you regularly to show you how to make your letters more human? Admitted, there are many excellent textbooks on business correspondence available.

But what you want—judging from the requests that have come to the National Office—is something more than a textbook. You are looking for a better letter service designed exclusively to streamline your correspondence—a service that will combine model credit letters for your own use and practical suggestions for the improvement of your own letters.

Such a service is now available!

Announcing

BETTER LETTERS SERVICE

Conducted by J. GORDON DAKINS, *Educational Director*
National Retail Credit Association

Here's what you'll get:

1. Every month, you will receive copy for five new credit department letters that you can use as they are or change to fit your needs. Included are model collection letters (some of which tie in with Regulation W), letters to revive inactive accounts, credit sales promotion letters, adjustment letters, and others styled to handle specific credit problems.

2. Every month, too, you will receive a three-page Better Letters Bulletin filled with practical, usable suggestions that will help you to write better letters—and show you how to use letters to build goodwill, to bring back old customers, and get new ones.

3. Advisory service. The privilege to submit, once each month, one of your own letters for unbiased advice and constructive criticism.

All for $15.00 a Year

Less than five cents a day

Subscribe Now And Begin With The First Issue, Ready July 15

---------- USE THIS COUPON ----------

J. GORDON DAKINS, *Educational Director*
National Retail Credit Association
Shell Building, St. Louis, Mo.

Please enter my subscription for your Better Letters Service for one year, price $15.00.
Check enclosed ☐ Mail bill ☐

Name _____

Position _____

Firm Name and Address _____

Collection Scoreboard

April, 1943 ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ April, 1942

CITY	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES					
	1943			1942			1943			1942			1943			1942			1943			1942		
	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.
Baltimore, Md.*	—	—	—	45.7	49.7	39.0	—	—	—	20.9	28.1	13.7	—	—	—	42.9	46.1	39.8	—	—	—	38.2	40.1	35.0
Birmingham, Ala.	59.7	66.1	51.0	44.5	49.0	38.0	33.3	42.4	23.0	21.	24.6	17.5	50.8	58.0	42.5	43.8	53.2	37.0	68.1	74.4	64.5	43.9	48.2	42.0
Boston, Mass.*	—	—	—	43.9	48.3	39.5	—	—	—	17.3	18.9	15.6	—	—	—	49.5	75.1	46.6	—	—	—	—	59.3	—
Casper, Wyo.*	—	—	—	78.3	112.7	44.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cedar Rapids, Ia.	76.6	84.0	73.5	59.4	62.0	44.2	32.9	37.0	28.8	24.4	28.0	20.9	—	—	—	—	—	—	93.5	106.5	80.6	59.1	67.4	50.8
Cincinnati, Ohio	66.9	73.5	65.9	52.7	56.6	50.0	29.1	36.1	25.1	19.7	24.5	16.9	58.8	63.3	45.2	43.5	50.6	32.5	62.1	65.6	58.6	41.8	48.3	35.3
Cleveland, Ohio	63.0	73.1	56.2	49.7	54.9	45.8	36.4	40.6	26.9	26.8	28.7	19.6	54.7	55.2	54.2	41.8	42.7	40.8	62.8	93.6	54.4	43.2	64.9	40.8
Columbus, Ohio	65.5	73.0	58.0	50.2	55.0	45.3	30.5	34.9	27.7	22.0	26.7	18.3	65.3	69.1	48.2	50.0	52.6	38.8	—	—	—	—	—	—
Davenport, Ia.	64.9	69.2	60.6	52.4	55.4	49.5	26.4	28.2	24.7	19.0	22.1	15.9	—	—	—	—	—	—	—	63.7	—	—	54.6	—
Denver, Colo.	62.9	67.4	60.0	45.4	47.6	41.0	27.8	38.3	24.2	16.3	23.0	13.3	60.8	65.1	51.5	43.3	44.3	41.0	56.1	60.8	51.5	42.1	43.3	41.0
Des Moines, Ia.	66.0	75.3	56.7	43.9	47.9	39.3	—	31.1	—	—	13.7	—	58.5	78.3	55.3	45.3	60.8	40.2	72.1	77.1	67.2	40.9	42.5	39.4
Detroit, Mich.	85.6	85.8	85.4	62.8	69.6	56.1	43.0	45.4	40.6	28.6	32.6	24.6	66.7	68.7	64.5	49.0	52.2	47.0	—	—	—	—	—	—
Grand Rapids, Mich.	70.0	73.1	66.5	50.1	53.2	44.0	30.0	30.9	29.2	20.4	22.5	18.4	60.6	69.3	56.0	46.6	51.7	41.4	75.4	90.3	60.0	54.7	75.6	40.6
Huntington, W. Va.*	—	—	—	60.6	61.9	59.4	—	—	—	15.2	17.2	13.2	—	—	—	—	30.4	—	—	—	—	—	34.6	—
Kansas City, Mo.	—	75.2	—	—	76.5	—	—	—	—	—	22.0	—	67.8	71.5	55.7	46.4	53.3	39.8	67.8	71.5	55.7	46.4	53.3	39.8
Los Angeles, Calif.	75.9	80.6	75.0	59.9	67.8	57.4	27.8	28.8	26.9	18.6	25.4	17.1	—	—	—	47.0	58.6	38.9	66.5	80.8	70.0	50.2	60.6	48.1
Louisville, Ky.	64.6	65.3	64.0	55.4	70.9	43.2	30.2	34.2	22.5	17.7	20.7	14.4	52.5	55.0	48.1	38.8	41.2	37.0	—	66.4	—	45.7	53.4	38.0
Lynn, Mass.	71.8	78.0	60.6	59.2	59.7	43.4	46.7	48.7	44.7	41.9	46.8	37.0	—	—	—	—	—	—	—	—	—	—	—	—
Milwaukee, Wis.	66.3	70.7	51.0	56.5	67.8	42.4	30.4	38.9	27.1	30.9	33.6	22.2	64.6	91.0	42.0	49.2	54.1	35.2	—	63.0	—	47.1	54.3	40.0
Minneapolis, Minn.	83.1	85.1	80.3	67.4	68.8	65.4	42.4	52.0	35.3	22.6	24.6	18.9	79.6	81.0	78.1	63.4	64.1	62.7	71.1	84.9	63.3	49.6	59.8	43.5
New York, N. Y.*	—	—	—	48.7	53.8	42.9	—	—	—	20.9	29.8	15.3	—	—	—	44.9	53.7	42.7	—	—	—	48.2	65.7	45.0
Oakland, Calif.	71.2	73.8	68.1	51.5	52.9	44.5	34.6	49.9	25.4	21.1	26.0	18.8	—	52.9	—	41.0	50.0	32.0	63.0	65.0	61.0	43.2	48.3	36.8
Omaha, Neb.	—	66.0	—	—	46.2	—	—	28.2	—	—	16.1	—	65.3	66.1	64.6	44.6	46.4	42.8	—	78.3	—	—	46.9	—
Pittsburgh, Pa.	60.3	66.3	53.9	46.5	50.0	39.8	29.7	37.9	21.9	19.6	24.4	14.6	58.7	66.3	47.5	45.8	50.0	39.8	—	—	—	—	—	—
Providence, R. I.	54.7	69.5	52.0	47.0	54.0	39.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	40.8	—
Reading, Pa.*	—	—	—	58.0	60.0	56.1	—	—	—	—	21.4	—	—	—	—	—	—	—	—	—	—	45.5	47.2	43.7
St. Louis, Mo.	72.2	78.8	69.2	58.4	69.6	51.9	34.1	44.7	29.7	23.3	29.7	19.8	60.7	70.6	53.7	44.3	44.8	37.8	61.0	69.3	52.8	53.6	40.0	36.7
St. Paul, Minn.	73.2	74.0	71.6	53.1	61.2	45.8	33.4	36.8	28.4	23.4	38.6	18.0	59.1	68.2	50.0	47.7	59.7	35.0	61.6	82.9	55.0	45.6	58.2	34.5
Salt Lake City, Utah	83.1	85.2	81.8	58.2	62.1	53.1	35.2	37.3	32.6	26.1	26.3	25.7	—	—	—	—	—	—	—	—	—	—	—	—
San Antonio, Texas	48.1	67.0	46.0	44.0	48.6	34.5	—	—	—	30.0	31.9	26.7	52.0	67.2	46.0	41.0	48.0	34.0	—	84.0	—	—	49.4	—
San Francisco, Calif.	64.3	80.0	58.2	41.5	52.2	37.1	35.3	38.3	27.9	17.0	24.2	15.2	52.0	59.8	46.8	33.8	40.0	31.4	58.3	65.2	52.0	35.8	43.5	31.9
Santa Barbara, Calif.	61.5	73.7	43.4	48.9	58.1	42.1	—	—	—	—	—	—	56.4	60.5	53.1	48.6	51.0	47.1	79.7	107.0	49.2	54.9	63.7	40.9
Sioux City, Ia.	68.9	69.6	68.3	45.7	47.2	44.3	24.7	29.8	19.6	18.4	20.9	15.9	—	63.0	—	—	42.0	—	—	74.7	—	—	43.0	—
Springfield, Mass.	72.4	78.3	69.0	64.2	65.2	53.5	33.5	41.0	25.5	21.3	22.5	19.3	—	81.9	—	48.9	49.5	48.4	—	67.0	—	58.6	71.3	45.8
Syracuse, N. Y.*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Toledo, Ohio	70.3	72.4	68.1	45.1	48.0	42.2	28.3	37.8	23.3	23.6	24.4	17.2	56.6	64.0	47.0	43.6	45.0	40.0	52.5	52.9	52.2	33.7	23.9	33.5
Tulsa, Okla.*	—	—	—	62.7	65.0	59.3	—	—	—	23.7	29.0	15.0	—	—	—	48.7	54.5	44.0	—	—	—	44.1	50.0	37.7
Washington, D. C.	61.9	66.2	57.7	39.3	46.5	35.3	25.6	30.5	21.5	16.6	20.1	13.5	—	—	—	—	—	—	—	—	—	—	—	—
Worcester, Mass.	65.4	70.3	60.6	48.0	50.3	47.0	34.6	39.1	30.1	23.8	24.6	23.1	59.0	60.8	58.0	43.3	48.3	35.0	—	62.3	—	—	40.0	—
Youngstown, Ohio	66.7	71.8	61.7	46.5	48.7	44.3	26.1	26.3	25.9	17.8	18.5	17.2	—	—	—	—	—	—	78.1	89.0	64.7	51.3	58.3	48.5
Vancouver, B. C.	82.9	84.4	81.3	69.5	84.2	54.7	37.1	40.1	34.2	24.6	31.7	17.5	—	90.0	—	—	94.0	—	—	60.0	—	53.5	55.0	52.1
Victoria, B. C.	88.3	95.7	81.0	83.4	89.0	77.9	35.5	37.0	34.0	25.1	28.9	21.3	—	—	—	—	—	—	—	—	—	—	—	—

COMPILED BY RESEARCH DIVISION — NATIONAL RETAIL CREDIT ASSOCIATION

*1943 figures not received at press time

We are often asked how the average, high and low figures in the above table are calculated. These average, high and low percentages, in the majority of cases, are sent to us prepared by the Secretary of the Local Unit or Bureau Manager in the above indicated cities. Questionnaires are mailed by the Bureau Manager or Secretary and the information requested might be returned in dollars and cents or in percentage form. When received in dollars and cents form the total amount collected for stores in the same line of business is divided by the total amount of credit business outstanding during the month for these same stores. This figure represents the average for all stores in that particular line of business and it is a simple matter to pick out the highest and lowest figures.

When these data are reported in percentage form by the stores, the figures are arrayed in descending order of their magnitude and the middle figure in the array is considered the average. The highest and lowest figures are then determined. In instances where the percentages are sent to our Research Division by the Bureau Manager or Secretary, to be arrayed, the same procedure is followed.

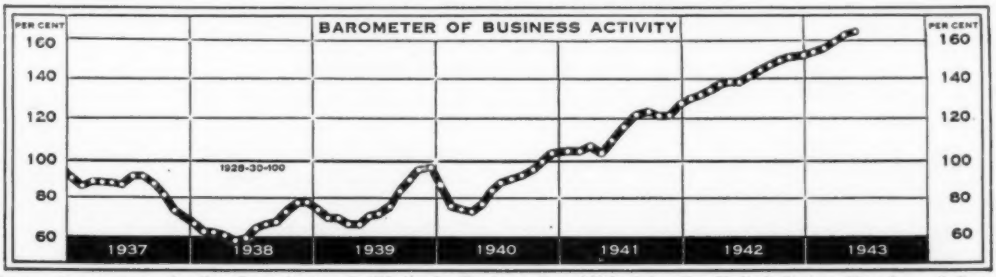
A. H. Hert.

FORTY-TWO KEY CITIES CONTRIBUTE THESE FIGURES MONTHLY

CURRENT BUSINESS CONDITIONS

The Barometer

Continuing its uninterrupted rise, the Barometer reached a new high in April with output of war industries holding at record levels.



This barometer appears in the June issue of "Nation's Business," published by the United States Chamber of Commerce.

The Map

The rate of business activity continues to move higher, although the current expansion is not quite so rapid as it has been in recent months. The total volume of trade and industry is 20 per cent above even the high level of a year ago. Expanding production of war supplies has again more than offset the curtailment in many civilian industries.

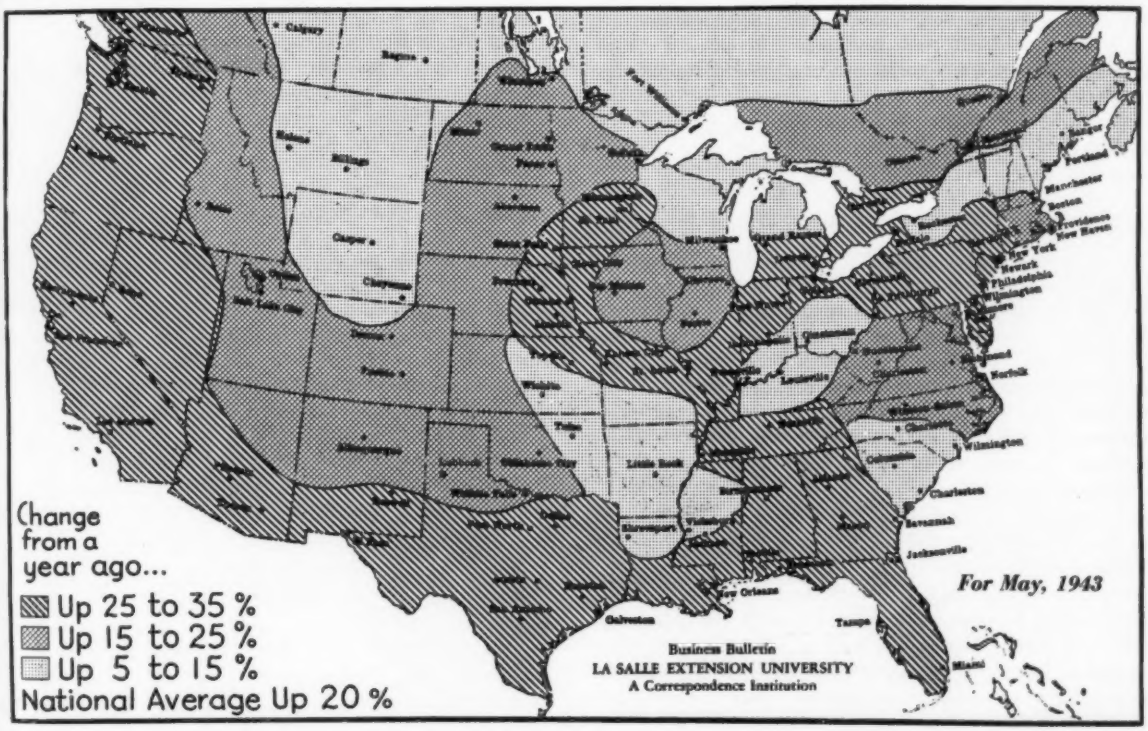
Business in the Pacific Coast states has been expanding much more rapidly than the national average. Employment in the shipbuilding, aircraft, and machinery industries has been rapidly mounting. Agricultural conditions in that section of the country are also relatively favorable as the production of diversified foods, including fruits, vegetables, and livestock, has kept farm income high.

In the industrial section around the Great Lakes and in the East, business is holding up well. Reports from some communities indicate that the spread between the two periods is narrowing, because the rate of production was very high and near to capacity a year ago. An example of this narrowing spread is the steel industry in which output has increased less than five per cent.

Regions in which business is lagging behind the national average are those in which the consumer goods industries have been dislocated by the conversion to war production. Shortages of raw materials and restrictions on civilian production have adversely affected parts of New England and the Southeast.

Other regions which show relatively smaller gains are parts of the oil-producing territory, some of the Mountain states, and the extreme western part of the central agricultural district. In most of the major farming sections, however, conditions have improved due to higher prices for livestock and larger supplies of farm products for sale.

In Canada the volume of trade and industry has increased by about the same percentage as in the United States. The greatest advances have been in the industrial and agricultural regions north of the Great Lakes and in the West. Business in every section of the country is higher than a year ago.



The Credit Bureau - - *A Valuable Asset*

T. W. Walters, *President*
Morris Plan Bank, Cleveland, Ohio

SERVING AS PRESIDENT of the Cleveland Retail Credit Men's Company for the past three years has been an enlightening education to me. During this period I have come to realize the intricate mechanism and the vast network of co-related duties and agencies that make credit information available to you and to me. There was a time when I would phone the Credit Bureau and the credit report that came back over the wire or in the mail or by messenger the following morning was received just as a matter of course. The transfer of credit information was an automatic procedure, —I asked for it and got it, quickly, cheaply and surprisingly complete.

Not once did I inquire, "Could you possibly get me some information on this applicant?" Why, that would be ridiculous! Why should I ask if it were possible? Never in my experience did the Bureau tell me anything was impossible or out of reach. It made no difference whether I was asking about John Dokes of Lakewood, or Warren Smith recently of Denver, Colorado, or Miami, Florida; whether I was seeking confirmation of employment, real estate ownership or a car title, was trying to trace a skip or wanted information about pending legislation that concerned businessmen or if I wished a group of old debts collected. The procedure of filling my requirements was accomplished so promptly, so smoothly and so efficiently that I never gave the service a second thought. It was just one of those things that you get into the habit of taking for granted.

Service Requirements

I didn't stop to realize that to fill my credit needs required a well-trained staff of 150 men and women directed by credit experts in particular lines who awaited my call for service every hour of my business day. There were regular and part-time employees covering the criminal and civil courts of the county, city and suburban municipalities and from twelve to sixteen bureau representatives daily visiting every section of Greater Cleveland for the reporting and adjustment departments.

It never occurred to me that the reason for the Bureau's ability to give me immediate information on almost any name I inquired on rested in their expansive files containing from 1,500,000 to 2,000,000 credit records that were kept alive through facts and experiences that were daily being added to serve over 400,000 credit requests each year. A close relationship with 1,350 other bureaus located in key cities all over the country and a personal arrangement in small communities made out-of-town information readily available. I was yet to learn that the Bureau maintained an active and alert criminal division that was constantly shielding us against the perpetration of wrongdoing and a bankruptcy committee that was keeping actual and would-be bankrupts on a well-defined course.

As I think back I imagine the reason for my lack of appreciative interest in the Bureau was that I was too self-centered in my own business to recognize the important contribution that the credit association was constantly making toward the success of my firm. I didn't stop to realize then that the Credit Bureau was my business too. For who owns, who supports, who benefits from the Bureau, but your store and my Bank? This is our Bureau. When we do business with it we are doing business with ourselves. If we fail to show interest in its welfare and progress, we are neglecting one of our most valuable assets. The credit bureau was organized as and still is a non-profit organization in business solely to furnish the quantity and quality of credit service that we desire and to which we are entitled. The only dividends our Bureau pays are service dividends to us. That's worthwhile remembering.

A Critical Period

We are in the midst of one of the most critical periods in the history of our country. We are engaged in a war upon the outcome of which depend our life, liberty and the pursuit of happiness. It is a gigantic struggle of world-wide scope with formidable adversaries. It is a "do or die" fight that involves over 25,000,000 actual combatants and has a bearing directly or indirectly upon the life of every inhabitant upon the globe.

We are a nation of 130,000,000 people; close to 7,000,000 of our relatives and friends are in service. Over half of them will be on foreign fronts before this year is over. Approximately 30,000,000 of our men and women are engaged in defense work forging the tools and equipment of war. Other millions are tilling the soil to provide vital foodstuffs. We credit men and women, for the time being at least, are gainfully occupied on the home front fitting to the best of our ability into important civilian economy. For some of us our lives and occupations will change and change willingly when we can serve our country and the war effort to better advantage in different capacities.

In the meantime let us remember and act as if we do remember that the most important business before each and every one of us, in fact the most important business

before our entire nation, is the winning of the war. *Selfish interests must be subjugated.* Sacrifices will be called for in greater number and degree this year. Let us assume them cheerfully and without grumbling or criticism. Let us put forth our efforts unstintingly and back our Government to the best of our financial ability. We are in a war. Let us really help to fight it and win it. Unless we do make an honest and wholehearted contribution to the war effort, we are going to be very sorry and ashamed as we look back in years to come.

Problems of the Future

There will be problems, you may be sure, in business life as well as home life. As sound business managers and home managers I know you are prepared or are preparing to meet them. There will be credit problems too that will require your careful study and your best judgment. While certain economies are in order for 1943, do not make the mistake of trying to economize falsely on credit reports that assure sound business transactions. There never has been and there never will be a substitute for safety in business operation. If your business in time of stress calls for necessary contraction, do not permit your credit department to disintegrate from the standpoint of either up-to-date records or experienced personnel. Your credit department as well as the Credit Bureau must be kept in forward gear, ready for full speed ahead "when the lights go on again."

With material reduction in consumer credit volume the Bureau has naturally experienced a corresponding reduction in trade reports. Through resourceful management income reductions in affected lines were satisfactorily offset by added attention to unaffected lines, by discovery of new sources of volume and by intelligent budget adjustments. We cleared close to 400,000 reports of various types during the past year and our ably managed Collection Department did a noteworthy job in collecting for the membership over $250,000 in bad debts. All things considered the Bureau has had a successful year. We are in a strong financial position. Realizing full well that a business cannot endure that does not progress, we are overlooking no opportunity to improve and to constructively broaden the scope of our service in preparation for the credit needs of tomorrow.

Service Prevails

There has been a turnover of personnel on our staff just as on your own, but our customary high degree of service prevails. The Bureau has taken an active part in the war effort. Our service flag bears nine blue stars and one glorious gold star. We have been of great assistance to the various Government agencies that require vital information on personnel. They paid high tribute to our staff and to the completeness and the up-to-date condition of our files. Many thousands of personnel reports have been furnished to defense plants that must guard against possible sabotage and subversive elements.

In paying tribute to those who are responsible for the success of our Bureau, I wish particularly to express my gratitude to the man whose untiring and able efforts over a period of twenty-six years are reflected in Bureau efficiency and service. Year by year as I have watched him in action my admiration for him has grown. We can be proud of him as our Bureau operator and as a staunch friend, Mr. William H. Gray.

HELP . . .

Your National Grow

Secure a New Member Today!

By obtaining one new National member you will not only receive a beautiful Credit Plaque, size 12″ x 15″, to be framed and hung in your Credit Office (illustrated and described on page 30, December, 1942 Credit World), but you will also play a vital part in strengthening an already great Organization. Three new members qualifies you for membership in the "25,000 Club" and entitles you to a sterling silver and enameled lapel button or pin. For sending in four new members you will receive a copy of the book "Retail Credit Fundamentals" or "Streamlined Letters."

(N. B. If you live in a city having a Local Unit, be sure to submit the name of the applicant to the Secretary of your Local Retail Credit Men's Association for his approval.)

Use the application blank below to send in the name of a new member, and do your part in BUILDING THE NATIONAL RETAIL CREDIT ASSOCIATION FOR THE FUTURE!

Membership Blank

National Retail Credit Association
Shell Building, St. Louis, Mo.

I hereby apply for one year's membership in your Association, subject to acceptance by you and by your recognized unit in this locality. I enclose $5.00 which I understand entitles me to all the privileges of membership, including a year's subscription to "The Credit World."

Name.....

Title.....

Firm.....

Business.....

Address.....

City.....State.....

Recommended By.....

Meetings ELECTIONS NEWS ITEMS Personal and OTHERWISE

We Take a Bow

The Inland Printer, a leading trade publication in the graphic arts industry, again honored The CREDIT WORLD in its March, 1943, issue by reprinting the front cover of the November, 1942, CREDIT WORLD in their *Specimen Review* section. A reproduction of the front cover of our September, 1942, CREDIT WORLD appeared in their January, 1943, issue; the front cover of our March, 1942, CREDIT WORLD appeared in their May, 1942, issue; and the front cover of our January, 1941, CREDIT WORLD appeared in their December, 1941, issue.

Meier Retiring From Marshall Field

Edward Meier, Credit Manager of Marshall Field & Co., Chicago, has retired, ending a career of 52 years of employment with the firm. Starting as cash boy on March 30, 1891, he studied law at nights and was soon promoted to the Legal Department where he remained until appointed Manager of the Credit Division in May, 1933. He has served as Director of the Credit Management Division of the N. R. D. G. A., and of the Associated Retail Credit Men of Chicago.

G. W. Fischer in New Position

Gordon W. Fischer, formerly Credit Manager of Tuttle & Clark, Detroit, is now associated with the Square D Company of Detroit. In his new connection he will gain a knowledge of wholesale and manufacturing credit extension to add to his many years of experience in the field of retail credit.

Dallas Merchants Elect Fred Marth

Fred C. Marth, Credit Manager, A. Harris Company, Dallas, Texas, was recently elected Vice-President of the Dallas Retail Merchants Association. He is also President of the Retail Merchants Association of Texas and a Past President of the Dallas Retail Credit Men's Association.

Positions Wanted

CREDIT MANAGER: Female. Now employed, available June first. Also has stenographic experience. Age 36. Address Box 61, CREDIT WORLD.

CREDIT MANAGER: Twelve years' experience as Credit Assistant and Credit Manager in western cities. Over 38 years of age, with dependents. Please give brief description of position in reply. Address Box 62, CREDIT WORLD.

Congratulations Winnipeg!

The wholesale and retail credit men of Winnipeg, Manitoba, are to be congratulated for taking the initiative in staging in Winnipeg, on May 7, a joint conference for the discussion of credit and other problems which will confront credit granters after the war. Highlights of the conference will be furnished by F. E. Wormersley, Secretary of the Winnipeg Retail Credit Grantors' Association, and will appear in a later issue of The CREDIT WORLD.

Merchant Marine Not Affected by Relief Act

Inquiries have been received at the National Office as to whether men of the United States Merchant Marine Service come under the provisions of the Soldiers' and Sailors' Civil Relief Act. We have been advised by our Washington Representative that they are not protected by this law. However, a bill (H.R. 131) has passed the House and is now pending in the Commerce Committee of the Senate which, if it becomes a law, will afford relief to the men of the Merchant Marine comparable to that afforded men in the armed services through the Soldiers' and Sailors' Civil Relief Act.

H. Orrin Jones

H. Orrin Jones, Manager of The Credit Bureau of Dayton, Ohio, died suddenly on May 1 after a short illness. Funeral services were held at Dayton on May 4. Our sincerest sympathy is extended to his family, business associates, and many friends.

M. C. Gigl

Michael C. Gigl, for many years Manager of the Merchants Guarantee, Lancaster, Pennsylvania, died suddenly on April 13. To his son, Vincent C. Gigl, other members of his family and his many friends we send our deepest sympathy.

Harrison Marshall Field Credit Manager

Earle Harrison, for years Assistant Credit Manager of Marshall Field & Co., Chicago, has been promoted to Credit Manager. He succeeds Edward Meier who recently retired. W. C. Stokes, Supervisor of Charge Accounts, succeeds Mr. Harrison as Assistant Credit Manager.

For Sale

ELECTROFILE EQUIPMENT. Change in system compels us to dispose of a number of brand new Electrofile units complete with trays. Will sell singly or in lots. Address Box 61, CREDIT WORLD.

Recent Elections

Atlanta, Georgia

Following are recently elected officers and directors of the Atlanta Retail Credit Association: President, J. Earle Smith, Peoples Loan, Inc.; First Vice-President, B. C. Buice, Sears, Roebuck & Co.; Second Vice-President, Talley Kirkland, Collection Service; and Secretary-Treasurer, L. S. Gilbert, Credit Service Exchange. Directors: Miss Nell Argue, H. M. Patterson & Son; J. A. Baumgartner, A. L. Zachry Co.; Kenneth Chastain, Cable Piano Co.; H. H. Fettes, Sears, Roebuck & Co.; R. C. Foster, Atlanta Constitution; and I. Ruden, Rich's Inc.

Troy, New York

The Retail Credit Association of Troy has elected the following officers and directors for 1943: President, Frank J. Weber, J. M. Warren & Co.; Vice-President, Victor Oshel, Personal Finance Co.; Secretary, Mrs. Thelma Trimble Greelis, The National City Bank of Troy; and Treasurer, Miss Evelyn Prentiss, Up-to-Date Store. Directors: Justin Driscoll, W. & M. Gross Inc.; Miss Clara Butcher, The Mulhfelder Co. Inc.; Miss Victoria Stutz, Credit Bureau of Troy, N. Y. Inc.; Charles Nelson, Wm. Frear & Co. Inc.; Evans S. Kellogg, Troy Prudential Association; Louis Toppall, Fashion Fur Shop; and John E. Van Epps, Merchants Credit Association of Troy.

Duluth, Minnesota

At their annual meeting, recently, the Associated Retail Credit Men of Duluth elected the following officers and directors: President, L. A. Murray, Duluth Clinic; Vice-President, Hilding J. Olson, First and American National Bank; Secretary, John H. Coad, Retail Credit Association; and Treasurer, Miss Eleanor Wilson, Anderson Furniture Co. Directors: J. C. Buckley, Minnesota National Bank; and Miss Hazel Davison, Carnegie Dock and Fuel Co.

Dixie Council of Credit Women Meet

In lieu of a regular convention, the Dixie Council of Credit Women, which is composed of the Breakfast Clubs in the 3rd and 4th Districts of the National Retail Credit Association, held a war conference in Atlanta, Georgia, April 17 and 18. Mrs. Pauline Shepard, President of the Credit Women's Breakfast Clubs of North America, was guest speaker at a luncheon on April 18. At this meeting the following officers of the Dixie Council were installed: President, Mrs. Jennye Lemon, Peoples Loan Inc., Atlanta, Ga.; First Vice-President, Mrs. Marie G. Whaler, Miami Industrial Bank, Miami, Fla.; Second Vice-President, Mrs. Louise Kelley, Koblentz Men's Store, Chattanooga, Tenn.; Recording Secretary, Miss Lucretia Tiffany, The White System; and Treasurer, Miss Hattye Lee Ashcraft, Charlotte Merchants Association, Charlotte, N. C.

BAROMETER of Retail BUSINESS

Sales and Collection Trends
April, 1943, vs. April, 1942

Compiled by Research Division, National Retail Credit Association

Arthur H. Hert, Research Director

CREDIT SALES decreased 6.3 per cent during April; total sales increased 30.1 per cent; and collections increased 14.2 per cent in the United States and Canada, as compared with April, 1942. *Credit sales continued to decrease for the twelfth consecutive month. Collections remain on the upgrade as a result of Regulation W. Retail trade in general has been greatly affected by more money in circulation due to the war effort.*

Highlights of the monthly analysis are shown in the tables below:

Highlights for April

37	Cities reporting.
10,344	Retail stores represented.

COLLECTIONS

37	Cities reported increases.
14.2%	Was the average increase for all cities.
27.7%	Was the greatest increase (Cedar Rapids, Ia.).

CREDIT SALES

30	Cities reported decreases.
6.3%	Was the average decrease for all cities.
20.0%	Was the greatest decrease (Bay City, Mich.).
2	Cities reported no change.
5	Cities reported increases.
26.7%	Was the greatest increase (Cedar Rapids, Ia.).

TOTAL SALES

37	Cities reported increases.
30.1%	Was the average increase for all cities.
95.0%	Was the greatest increase (Bryan, Texas).

FOR THE SMALLER BUSINESSMAN

J. Gordon Dakins

Say it With Flowers on Credit

THAT A SOUND CREDIT POLICY is one of the requisites for success in the flower business is clearly demonstrated by the story of Grimm & Gorly, St. Louis, Mo., florists, known throughout the United States through their slogan, "We Give the Earth With Every Plant." This successful firm, with a splendid record of 30 years of service, reports that 75 per cent of its sales are made on credit. Careful checking of credit requests, regular use of the credit bureau, prompt mailing of bills on the first of the month, and a courteous but close collection follow-up—these are the credit policies that have enabled Grimm and Gorly to use credit as a sales promotion feature and, at the same time, prevent credit losses from becoming a headache.

Most credit requests come to Grimm & Gorly over the telephone, although orders covering floral decorations for weddings, receptions, conventions, etc., often result from a personal visit to the store. Usually, the customer simply telephones and requests that a bouquet be charged but sent to someone else. Naturally, many of these requests come from customers who have traded with Grimm & Gorly for years and no credit checking is necessary. But in the case of a new customer, his credit record must be checked before the order is approved. Accordingly, he is asked to give his name in full, home address, business connection and position, one business reference and, in certain cases, the name of the person who referred him to the store. This information is taken down on the order blank and, if the account is opened, is later transferred to the ledger sheet.

If it is a contract to design and install wedding decorations, then the practice is to submit an estimate for the customer's approval and to ask for a deposit. More detailed information is required here because of the size of the order, so they not only get the name and address of the person placing the order but also secure the name and address of the bride's father along with the groom's business address. A report is then obtained from the credit bureau which aids them to pass on the credit involved.

The order form (Figure 2), in duplicate, is used as a basis for both the delivery and accounting functions. These forms are of the continuous type and are serially numbered. After an order has been written up, the form is removed from the *Autographic Register* by a turn of the handle. A clerk writes on this order form all information necessary to serve the customer efficiently. She fills in the date of the order, description of flowers, whether the order came by mail, telephone, telegraph, or resulted from a personal visit, name and address of the person to whom the flowers are to be delivered, time of delivery, and the type of message to be written on the card which accompanies the flowers.

After credit is authorized, the duplicate is detached from the original. The original goes to the cashier who rings up the sale as a charge transaction. She rings up both the amount of the purchase and the serial number of the order, but does not ring up the amount of the Missouri sales tax. A record of sales tax, however, is kept in the office.

The duplicate is routed to the delivery department or, if work has to be done in assembling the order, it goes to the artists. They place their signatures on the face of the duplicate after completing their work and list the materials used on the reverse side of the form. Then, when the order is ready for delivery, a delivery card (Figure 4) which has previously been made out by the cashier, is attached to the flowers. But before taking out the order, the driver has to sign the duplicate form after noting the exact time on it. He must also obtain the signature of the recipient of the flowers on the delivery stub which he later returns to the store.

Each day, the original and duplicate portions of all order forms covering flowers that have been delivered are arranged in alphabetical order and then compared by serial number. Any changes in price or type of merchandise appearing on the duplicate form are made on the original. The date of the original order is also changed to agree with the date of delivery as shown on the duplicate. An adding machine tape of all charge sales in ledger groups is run daily and the original form is used for this listing. The total thus secured becomes the control figure by ledger for that day's charge sales. At this time, too, a numbering machine is used to place a posting number on the original form. Then when the charges are posted to the ledgers, the bookkeepers list the serial posting number along with the amount of the charge.

Charges are posted in ink on ledger sheets (Figure 1), which are bound in loose-leaf binders. Each of these binders represents one control or ledger, and all accounts are filed alphabetically. Billers post date of order, serial posting number, sales tax, and amount of sale. Debits are posted on the left-hand side of the ledger sheet, while credits are written at the right. Payments on account also bear a serial posting number, and are posted to the ledger by showing the date of payment, serial number, amount of tax, and amount applied in payment of merchandise. If a payment covers both the amount outstanding plus the sales tax, the ledger sheet is then ruled off.

They can close their books on the 25th of the month because flowers do not come under Regulation W. This gives them time to get statements (Figure 5) into the hands of their customers by the first of the month. The statements are in skeleton form, are written by hand, and are sent out in window envelopes.

Credit terms call for payment in full by the tenth of the month following purchase. If payment fails to arrive by the tenth of the second month, collection

routine begins. Direct contact by telephone has been found to be the most suitable collection method. However, if this fails, the store collector takes over. He is paid on a commission basis and manages to collect most of the outstanding items.

With an average of 3,000 accounts open on the books each month and the relatively small amount owing on the average, one might expect that collections would be difficult. On the contrary, most people pay their florist's bill, according to this store. They say that people who have charged an order for flowers to be delivered to a friend feel that it is a matter of honor to pay, and particularly when the flowers have been ordered as a result of a wedding, an anniversary, or a death. The fact that there is a third person in the transaction aids collections. In this way, they are able to keep their charge-off to less than ¾ of 1 per cent. And even after accounts have been written off to P. & L., many recoveries are made by the collection agency to which such accounts are automatically referred for attention.

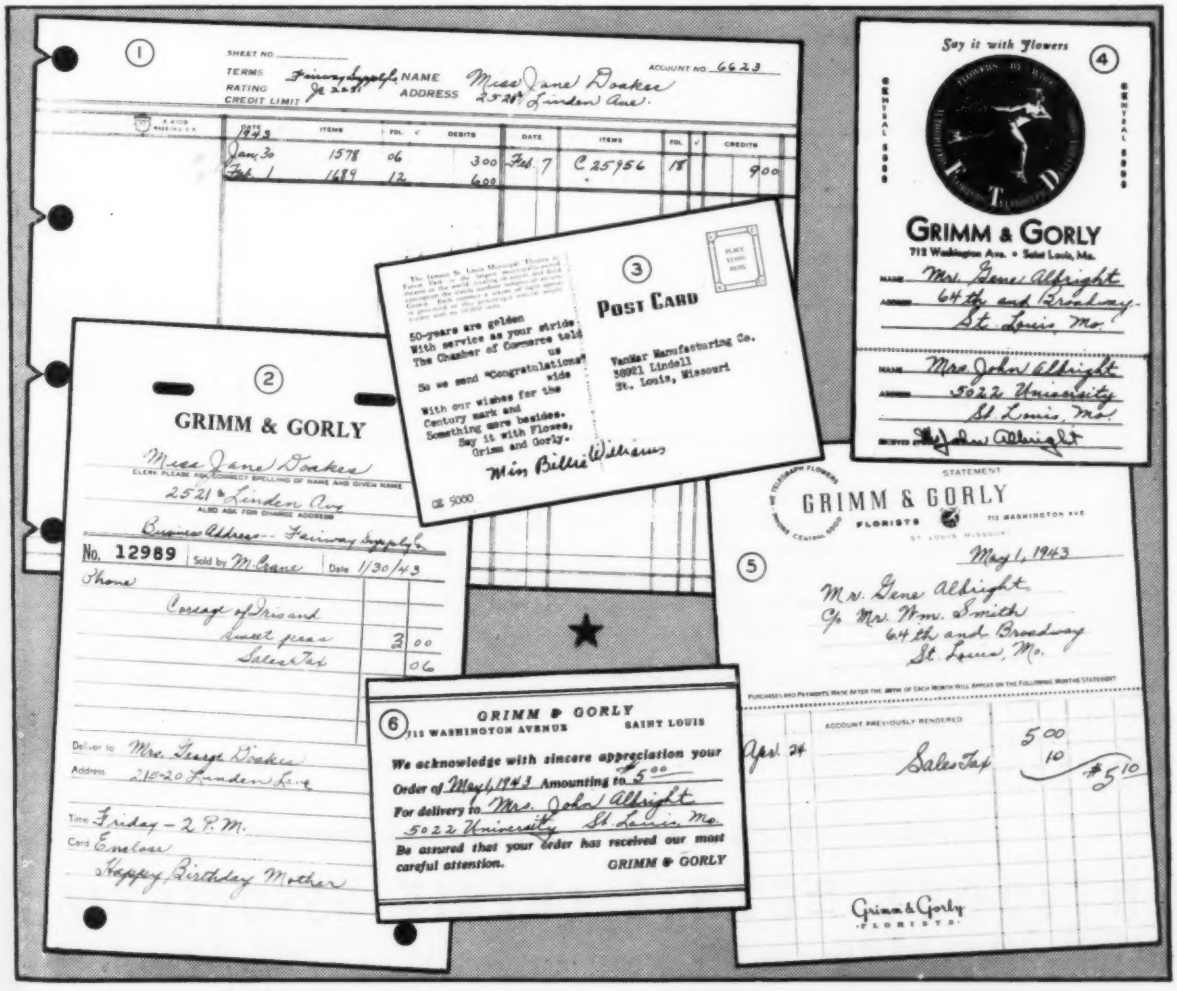
Inactive accounts are not forgotten, either, and are solicited by telephone, especially during the dull seasons. The switchboard operator does this work. Postcards showing colorful flower displays are also used for sales promotion. Sent out under penny postage, they usually bear a short sales message—sometimes in the form of a poem—with an invitation to call the signer of the card for prompt service. This device is both effective and inexpensive. Figure 3 shows a card sent to St. Louis firms who had been in business for 50 years. Results from the use of this message were excellent.

Changes brought about by the war have meant more business for this florist. Their sales have increased more than 15 per cent as a result of purchases by soldiers and war workers. Soldiers are fond of sending flowers, and the number who sent flowers on Easter and Mother's Day was remarkable. Orders came from all parts of the U.S.A., as well as from Africa, England, and the Pacific.

Mother's Day and Easter are two holidays that usually create a real problem for the florist. Flowers are scarce and prices higher then. But on Easter and Mother's Day this year, they had plenty of flowers to take care of their patrons' needs. It was foresight and planning that did it as their buyer, anticipating a shortage, planned ahead, consequently, they were ready when the rush came.

Through their membership in the Florists' Telegraph Delivery Association, they are also able to deliver flowers to all parts of the world.

They keep a record of the florists with whom they correspond in a Kardex Visible File. Each florist has a card which is separated into two columns. One column lists the orders sent to Grimm & Gorly; the other shows orders that the St. Louis florist has sent to them. And when an order sent through another florist is filled by the St. Louis store, an acknowledgment card (Figure 6) is used to notify the out-of-town dealer that the order has been filled.



UNAUTHORIZED CHARGE NOTICE



Your patronage and goodwill are sincerely appreciated. In fact, we hope that everything we do will contribute to the continuance of this happy relationship.

The new Government Regulations, however, have placed a number of new duties upon us. One of them, for example, requires us to ask for immediate payment of the purchase listed below, or the return of the merchandise.

It is, therefore, with sincere regard for you as a valued patron that we ask you to pay this small sum. If you can also include in your check the amount in default, we shall be very grateful.

This will restore your charge account to its customary excellent standing and you will be able to use it at once.

Amount of purchase $..... Date purchased .....

Amount in default $.....

Remit to _____

Address _____

THE LATEST in our Regulation W series. For use in connection with unauthorized charge sales of $5.00 or less. Enables credit granters to conform with government requirements and still retain customer good will.

No need to type a letter. Simply fill in the form—use pen and ink, if you wish—and mail in a window envelope. A real timesaver for both the large and small store . . . especially valuable these days when personnel problems are so acute.

Designed to collect both the amount of the unauthorized purchase and the amount in default. For best results, should be used in duplicate and copy retained for inspection purposes.

Your firm name imprinted without charge in bold face type on all individual orders for 2,000 or more. Actual size 6¼" by 7".

Price — $2.75 a Thousand, Postage Prepaid

NATIONAL RETAIL CREDIT ASSOCIATION

SHELL BUILDING . . . . . ST. LOUIS, MO.

"Retail Credit Survey"

(*Beginning on page 12*)

probably contributed, to a small extent, to the change in average repayment period. As shown in Table 4, page 29, a sample of 420 department stores reported that at the end of 1942 their instalment accounts outstanding represented about 40 per cent of total instalment sales during that year as compared with a ratio of 54 per cent for 1941.

Charge-account credit outstanding in department stores declined 23 per cent in 1942. The average period of charge accounts outstanding in department stores is now around 48 days as compared with around 65 in 1941.

Monthly indexes of instalment and charge accounts receivable and collection ratios are shown in Table 3, page 13.

Table 4

RETAIL CREDIT SURVEY

Accounts Receivable of Department Stores, 1941 and 1942
(End of year figures)

Classification	Number of Stores Reporting	Charge Accounts Receivable, End of Year			Instalment Accounts Receivable, End of Year		
		Percentage Change 1941-1942	As Per Cent of Annual Charge Account Sales		Percentage Change 1941-1942	As Per Cent of Annual Instalment Sales	
			1941	1942		1941	1942
Total (all reporting stores)	420	-23	25	19	-39	54	40
Size (1942 annual sales volume):							
Under $1,000,000	102	-23	27	20	-47	48	36
$1,000,000 to $5,000,000	186	-23	25	19	-38	51	39
$5,000,000 to $10,000,000	63	-24	26	19	-39	55	42
$10,000,000 to $20,000,000	30	-22	26	20	-42	56	40
$20,000,000 and over	36	-22	24	19	-39	54	39
Federal Reserve District:							
No. 1—Boston	37	-16	25	21	-44	59	42
No. 2—New York	54	-25	28	22	-33	54	44
No. 3—Philadelphia	33	-21	28	21	-43	59	43
No. 4—Cleveland	40	-23	25	19	-42	54	39
No. 5—Richmond	20	-26	28	20	-37	60	45
No. 6—Atlanta	32	-29	29	21	-37	65	63
No. 7—Chicago	65	-21	21	17	-43	42	29
No. 8—St. Louis	23	-23	23	17	-38	50	36
No. 9—Minneapolis	25	-24	21	16	-39	52	36
No. 10—Kansas City	23	-22	23	17	-37	50	34
No. 11—Dallas	23	-21	26	20	-46	70	58
No. 12—San Francisco	45	-22	24	18	-38	56	38
City:							
Akron, Ohio	3	-17	27	21	*	*	*
Atlanta, Ga.	4	-28	33	23	-32	71	71
Baltimore, Md.	4	-26	27	19	-37	51	35
Birmingham, Ala.	4	-30	30	21	-44	67	58
Boston, Mass.	8	-14	25	22	-46	64	43
Buffalo, N. Y.	6	-25	29	20	+1	40	49
Chicago, Ill.	15	-19	20	17	-42	37	28
Cincinnati, Ohio	7	-27	26	19	-56	57	36
Cleveland, Ohio	7	-24	25	19	-38	51	36
Dallas (area), Texas	8	-19	26	20	-50	59	47
Denver, Colo.	3	-24	25	19	-41	61	40
Detroit, Mich.	4	-22	19	15	-43	36	23
Duluth, Minn.	3	-29	28	20	*	*	*
Fort Wayne, Ind.	3	-29	22	14	*	*	*
Houston (area), Texas	3	-21	26	20	—	—	—
Indianapolis, Ind.	4	-21	24	18	-38	58	42
Kansas City, Mo.	4	-24	22	16	-29	41	32
LaCrosse, Wis.	3	-29	21	16	*	*	*
Little Rock, Ark.		-32	32	21	*	*	*
Los Angeles, Calif.	9	-23	21	17	-45	61	40
Louisville, Ky.	3	-23	25	19	*	*	*
Memphis, Tenn.	4	-18	25	20	-33	38	33
Milwaukee, Wis.	5	-11	23	19	-39	44	31
Minneapolis, Minn.	5	-21	20	16	-36	50	33
Nashville, Tenn.	3	-21	26	20	*	*	*
Newark, N. J.	4	-30	32	26	-43	56	42
New Haven, Conn.	3	-17	24	19	*	*	*
New York, New York	16	-22	27	23	-33	57	46
Philadelphia, Pa.	6	-20	29	22	-42	58	41
Pittsburgh, Pa.	6	-23	25	19	-37	53	41
Portland, Ore.	4	-35	30	20	-31	65	45
Providence, R. I.	4	-22	25	20	-38	56	45
Rochester, N. Y.	4	-19	23	18	-41	55	46
St. Louis, Mo.	3	-23	21	16	-41	50	32
St. Paul, Minn.	5	-29	22	17	-44	53	39
San Antonio, Texas	3	-23	25	18	*	*	*
San Francisco—Oakland, Calif.	9	-23	25	19	-37	45	32
Seattle, Wash.	4	-18	25	19	-27	58	38
Syracuse, N. Y.	3	-29	29	20	*	*	*
Toledo, Ohio	3	-24	28	20	*	*	*
Trenton, N. J.	3	-20	32	25	*	*	*
Tulsa, Okla.	3	-28	22	16	*	*	*
Washington, D. C.	4	-28	26	18	-37	64	50
Wheeling, W. Va.	4	-28	25	18	-47	60	47
York, Pa.	3	-20	24	18	*	*	*

*Withheld to avoid disclosure

NOTE: These data are based on reports of identical credit-granting stores showing net sales by type of transaction for 1941 and 1942 and end-of-year accounts receivable.

Early Closing Dates on Charge Accounts Advocated

EVER SINCE CHARGE ACCOUNTS were brought under Regulation W, it has been a matter of practical necessity for retailers (other than those using cycle billing) to bill on a calendar month basis. This practice of closing books on the last day of the month, however, has meant delay in getting statements into customers' hands. Thus, instead of mailing their bills on the first, many stores have found it impossible to render statements until between the fifth and the tenth, and in some instances as late as the 15th.

This delay, of course, has undesirable consequences for the store. Many customers make payments on account during the first few days of the month before receipt of their bill. When they subsequently receive their bills, however, credit for these payments do not appear on the statements. As a result, they immediately register complaints that their payments have not been properly credited. This means that the store has to record and investigate each one of the complaints as well as take valuable time in explaining the situation. More personnel is required for the adjustment desk, additional expense is incurred, and there is always the possibility of losing customer good will.

In an attempt to remedy this situation, therefore, the National Retail Credit Association has made representations to the Board of Governors of the Federal Reserve System that section 5(a) of Regulation W be amended to permit the closing of books three days early—the purchases of the last three business days to be carried over and considered part of the following month's bill. A resolution to this effect was also passed at the Pacific Northwest Conference held in Spokane, Wash., and forwarded to the Federal Reserve Board, Washington.

Credit executives, generally, are in favor of such a change in Regulation W, but something more than a desire for this amendment is necessary if it is to become law. Definite proof that there is a nationwide demand for early closing of charge accounts must be furnished the Federal Reserve Board before they will consider taking any action.

If you agree that this amendment should be made, it is suggested that a letter to this effect be mailed immediately to the Federal Reserve Bank of your District with a copy to the National Retail Credit Association, Shell Building, St. Louis. Depending upon the interest thus shown toward the enactment of such an amendment, the National Office will be able to determine what further steps to take.

Credit Women's Breakfast Clubs of North America

Annual

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"Credit Man's Appeal"

(*Beginning on page 3*)

of a reasonable amount of safety. This he can secure by clearing every applicant for credit through the bureau.

We have seen a great migration of people from one section of the country to another. The movement may be even greater after the war. The bureaus will be needed to obtain reliable credit reports from other cities, to trace skips, and for other services.

Let us give our wholehearted support to the bureaus. Resolve now to:

1. Clear all applicants for credit through the credit bureau.
2. Notify the credit bureau when individuals become overloaded.
3. Report all bad debt accounts.
4. Secure new members.
5. Cooperate in every way possible to make our bureaus more efficient.

A willingness on the part of all of us to accept our share of the responsibility to build and support our credit bureaus will give us a greater assurance of future success.

"Simplified System"

(*Beginning on page 4*)

6. The saving in time is equally obvious. Theoretically the charge office is up to date practically every day. As the months pass, accounts are automatically aged.

7. Elimination of customer complaints, as every customer may examine minute details of her own transactions, including her own signature, thus avoiding any doubt as to the accuracy of the statement.

One of the novel features of this system is that it does away with "penny balancing practiced by old-fashioned management." The operation has been tested for almost a year and customers seem to have become accustomed to the rather radical change. We believe in this system stronger than ever. Itemization of a customer's account is a thing of the past for us and a service which was costly.

BINDERS

for The Credit World

PAMPHLET type with stiff blue fabricoid covered sides and the words "Credit World" lettered in gold. Holds 12 issues. There is an individual wire for each issue, easily inserted. Every member should have a binder for each volume. Price, $1.75, postpaid.

Order from

NATIONAL RETAIL CREDIT ASSOCIATION

Shell Building **St. Louis, Missouri**



"I have just convinced one of our subscribers of the value of membership in the National Retail Credit Association. You might be interested in knowing that the article 'Granting Credit to Service Men and Their Dependents,' which appeared in the March CREDIT WORLD, clinched the deal. I feel that through N. R. C. A. membership this credit granter and all our subscribers will be better users of our credit bureau services."—Alexander Harding, Manager, Quincy-South Shore Credit Association, Quincy, Mass.

✉

"Will you please enroll G. Fox & Co., Inc., as a member of the National Retail Credit Association and send them a copy of the April CREDIT WORLD, as a sample of that issue which I gave them is what sold this membership."—Alfred C. Moreau, Secretary-Manager, The Hartford Credit Rating Bureau Inc., Hartford, Conn.

✉

"I was particularly interested in the membership application blank appearing in the April issue of your publication The CREDIT WORLD, and would appreciate it if you will write and let me know the privileges of membership in your organization. Naturally, I understand the value of your magazine and I am more interested in the other phases of membership." —E. Harold Frankel, Credit and Collection Manager, Morgan's Furniture Stores, Boston, Mass.

✉

"Your research division of the National Retail Credit Association is rendering a real service in giving credit executives the opportunity to exchange ideas."—J. L. Owens, Credit Manager, Miller & Paine, Lincoln, Neb.

✉

"I found the article 'Ten Things I Would Do If I Were a Credit Manager,' by Louis Spencer, in the April CREDIT WORLD, very stimulating. You hit at many flaws that prevail in our present administrative system. The reason why your ideas have not been put into practice would be attributed to inhibition. This inhibition exists as much on the part of individual retailers in formulating policy, as it does with credit executives entrusted to execute this same policy. I shall watch future issues of The CREDIT WORLD for more of Mr. Spencer's splendid contributions."—J. E. Rytten, Credit Manager, Ann Lewis, Baltimore, Md.

✉

"I could not help but be impressed by the poetic inspiration to buy War Bonds on the cover of your April issue of The CREDIT WORLD. I wonder if you could supply our department with several tear copies of the cover which we may have mounted and placed in conspicuous view for constant reminder." —R. E. Alexander, Manager, Sales Planning Division, The Standard Register Co., Dayton, Ohio.

✉

"Congratulations on your new feature in The CREDIT WORLD, 'For The Smaller Businessman.' I have long recognized the urgent need of more attention to the smaller business and neighborhood store. I can foresee great benefit from this move to the small credit granter, the credit structure, and to the National Association. It is a forward step and you have my congratulations and wholehearted support."—W. C. Goodman, Reynolds-Penland Co., Dallas, Texas.

✉

"Retail credit granters have been operating under Regulation W for more than a year, have had the opportunity to study the provisions, and have experienced its advantages and disadvantages. We believe it is not too early for each community to study the Regulation for the purpose of determining which of the provisions should be continued after the war, and which should be discontinued. It is our recommendation that such a movement be promoted by the N. R. C. A., and the results compiled for its members. From such a study a national retail credit policy could then be adopted."—J. F. Eichelberger, Credit Manager, The Hub, Baltimore, Md.

Post-War *Credit* Planning

ON MY RECENT TRIP of seven weeks, during which I visited thirty cities in nine states and the Canadian provinces of British Columbia, Alberta and Manitoba, I found our members keenly interested in post-war credit plans.

Many of them hope it will be possible to adopt a national Community Credit Policy, incorporating therein the most satisfactory provisions of Regulation W and eliminating objectionable features. Others, although opposed to Government regulation of business, expressed the opinion that a sound credit control policy will not be possible unless it is compulsory. Based on previous experience, they contend it is almost impossible to obtain the approval of all types of credit granters to a uniform credit control plan.

While the majority with whom I discussed Regulation W feel that results have been highly satisfactory, others believe that the scarcity of merchandise and improved employment conditions are responsible for much of the decrease in accounts receivable; that slow-paying charge accounts, with few exceptions, are in worse condition than a year ago, and that the results have not justified the additional work and expense entailed in operating under Regulation W.

Committees located in the twelve Federal Reserve Districts have been appointed by President Burris for the study of post-war credit planning, and particularly the results under Regulation W. Each committee chairman is expected to contact members in his Federal Reserve District and to make recommendations for a credit policy to become effective at the end of the war.

Following receipt of recommendations from the twelve District Chairmen, the General Chairman, L. L. Meyer, Executive Vice-President, Foley Brothers, Houston, Texas, will then draft a policy, based on suggestions in which credit granters representing *all lines* will have had a hand, and that policy will be given careful consideration by the Board of Directors of the National Retail Credit Association.

Subsequently, our Association will call a meeting of all national associations interested in retail credit granting, for a discussion of a National Retail Credit Policy, following which the plan agreed upon will be recommended for adoption by members of the respective associations. The matter of a modified Regulation W, under the administration of the Federal Reserve Board, will also be given consideration.

To accommodate the majority and to eliminate the expensive features of Regulation W as it affects charge accounts, it has been suggested that the following changes be provided for in post-war plans:

1. That accounts with balances up to $5.00 not be frozen.

2. That divided payments be permitted, either weekly or monthly, and not considered installment sales if it is understood that accounts are to be paid in full prior to default date.

3. That purchases made on the last three business days of the month be carried over, if desired, to the following month's bill and considered as first-of-the-month purchases.

4. That default date be changed to last day of second month, or tenth day of the third month following purchase.

5. That installment terms be liberalized as follows:

A. Soft goods—minimum down payment 25 per cent, maximum time 6 months.

B. Fur coats—minimum down payment 25 per cent, maximum time 9 months.

C. Radios—minimum down payment 25 per cent, maximum time 12 months.

D. Furniture and other hard merchandise, except refrigerators, gas and electric ranges—minimum down payment 20 per cent and maximum time 18 months.

E. Refrigerators and gas and electric ranges—minimum down payment 15 per cent, maximum time 24 months.

F. Automobiles — minimum down payment 25 per cent, maximum time 18 months.

The terms outlined may be too liberal for a national policy but are enumerated to indicate thoughts of credit granters in connection with post-war planning.

Local associations are urged to give the matter serious consideration at this time and to make recommendations to the N. R. C. A., for the benefit of the committees now studying the subject.

The National Office will also welcome suggestions of individual members.

L. S. Crowder

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